

## Opportunity-Sensing Capability and Entrepreneurial Mindset of Domestic Airlines in Nigeria

Adim, Chidiebere Victor<sup>1\*</sup>, Poi, Godwin (PhD, FCA)<sup>2</sup>

<sup>1</sup>Department of Management, Faculty of Management Sciences, Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

<sup>2</sup>Director, Entrepreneurship Center & Head of Department of Business Administration, Faculty of Social and Management Sciences, University of Africa, Toru-Orua, Bayelsa State, Nigeria

DOI: [10.36348/sjbms.2021.v06i12.002](https://doi.org/10.36348/sjbms.2021.v06i12.002)

| Received: 03.10.2021 | Accepted: 10.11.2021 | Published: 30.12.2021

\*Corresponding author: Adim, Chidiebere Victor

### Abstract

This study examined the relationship between opportunity-sensing capability and entrepreneurial mindset of domestic airlines in Nigeria. The study adopted an explanatory cross sectional survey research design which was carried out at the organizational level of analysis. The population of this study was the nine (9) operational scheduled domestic airline operators in Nigeria. The managers involved were: Station Manager, Cabin Service Manager, Director of Airline Services, Operations Manager and Regional Manager. The study adopted the entire population as a census. The reliability of the instrument was ascertained using the Cronbach alpha reliability instrument with all items scoring above 0.70. The Spearman Rank Order Correlation Coefficient was utilized to establish the level of relationship as hypothesized with the aid of Statistical Package for Social Sciences version 23.0. Findings revealed that there is a significant relationship between opportunity sensing capability and entrepreneurial mindset of domestic airlines in Nigeria. It was concluded that opportunity sensing capability supports entrepreneurial mindset of domestic airlines in Nigeria. It was recommended that Domestic airlines must engage in opportunity sensing behaviours such as new exploration, support new ideas, experiment, and stimulate creativity, and must seize business opportunities in the market proactively and obtain first-mover advantages by entering unexplored domains.

**Keywords:** Opportunity-Sensing Capability, Entrepreneurial Mindset, Proactiveness, Competitive Aggressiveness, Risk-Taking.

**Copyright © 2021 The Author(s):** This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

## INTRODUCTION

In a dynamic, fast-changing, and intense worldwide competitive environment of today, the importance of entrepreneurial mindset is manifest in its rapid diffusion throughout the strategy literature (Corbo, 2012; Soininem, *et al.*, 2013). Entrepreneurial mindset has been noted as a key ingredient for organizational success and has been found to lead to higher performance (Wiklund & Shepherd, 2005, Soininem, 2013). It is further argued that firms that possess higher levels of entrepreneurial mindset will perform better than those with lower levels of entrepreneurial mindset (Rauch, 2009, & Dada, 2012). Higher levels of entrepreneurial mindset allows firms to have the ability to identify and seize opportunities in a way that differentiates them from non-entrepreneurial firms (Covin, Slevin & Shephard, 2006; Soininem,

2013). Entrepreneurial mindset. This refers to a firm's strategic organisational posture, which captures specific entrepreneurial aspects of decision-making styles, methods, and behaviour (Lumpkin and Dess, 1996; Wales, Gupta, *et al.*, 2013). In this context entrepreneurial activity is analyzed as a collective activity, in terms of a business function that enables the recognition and seizing of opportunities through the development of search routines, firm specific skills, and new knowledge (Hagedoorn, 1996).

According to Schumpeter (1942, 1949) large firms implement 'innovation ability' by implementing specialized functions within the firm that enable entrepreneurial action and behavior in a routinized, i.e. stable and recurring, fashion (Hagedoorn, 1996). In other words, according to Schumpeter firms seek to

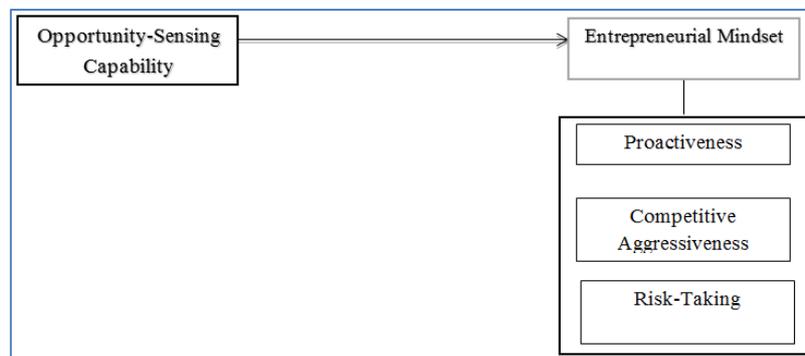
implement mechanisms with which they can collectively regularly search for opportunities, can regularly assess how to seize such opportunities, and can regularly implement a course of action to address such opportunities with innovations. Mahoney (1995) also makes the connection to dynamic capabilities by indicating dynamic capabilities as the drivers behind this transformation process and the role of knowledge accumulation and learning in order to create novel resource and capability combinations. Teece, Pisano and Shuen (1997) propose dynamic capabilities as the mechanisms behind successful innovation in a world of Schumpeterian competition, as they help to identify and create the novel capability combinations most likely to support the development of novel valuable products and services. Teece (2007) expands this perspective to the entrepreneurial firm, where dynamic capabilities help to sense opportunities through scanning the environment, to seize these opportunities through accumulation of knowledge and skills as well as through making informed investment decisions, and to accomplish necessary transformation through managing reconfiguration. Through the enabling of new capability development, dynamic capabilities support successful innovation. Teece (2007) states that enterprises with strong dynamic capabilities are intensively entrepreneurial. They do not only adapt to the business ecosystems, but also shape them through innovations and through collaborating with other enterprises, entities and institutions”.

Dynamic capabilities include the ability to identify the need for change, to formulate a response,

and to implement appropriate measures (Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece & Winter, 2007). They involve sensing the need for change, learning about how to respond to opportunities and threats, and accomplishing reconfiguration (Teece, *et al.*, 1997; Teece, 2007). Opportunity sensing the focus of this paper may capture the first facet. Sensing capability comprises a firm’s ability to recognize shifts in the environment that could impact the firm’s business based on the current capability position (Teece, 2007). Sensing, thus, relates to both the ability to recognize shifts in the external environment that could affect the business model and the ability to identify to what extent the organization might respond with its current capability endowment, or to what extent the development of new capabilities is necessary (Barreto, 2010; Teece, 2007). The purpose of this paper therefore was to examine the relationship between opportunity-sensing capability and entrepreneurial mindset of domestic airlines in Nigeria.

Also, this study was guided by the following research question:

- i. What is the relationship between opportunity-sensing capability and proactiveness of domestic airlines in Nigeria?
- ii. What is the relationship between opportunity-sensing capability and competitive aggressiveness of domestic airlines in Nigeria?
- iii. What is the relationship between opportunity-sensing capability and risk-taking of domestic airlines in Nigeria?



**Fig-1: Conceptual model for the relationship between opportunity-sensing capability and entrepreneurial mindset**  
Source: Desk Research (2021)

## LITERATURE REVIEW

### Opportunity-Sensing Capability

Also referred to as, strategic sense-making capacity opportunity-sensing refers to enterprises’ capabilities to identify opportunities, threats, changes and also competitors’ possible responses to the focal enterprise’s actions (Li & Liu, 2014). It requires constant scanning, searching and both external and internal exploration (O’Reilly & Tushman, 2008). This sensing can take place through market presence and participation, enterprise cooperation, or personal

networks and connections and also internal research and development activities. Although sensing is necessary, problems lie in its inefficiency and its association with sourcing bad ideas. In comparison, concentrating on exploitation of what is already known and proved to work has a greater certainty of success in the short run (O’Reilly & Tushman, 2013). Furthermore, even continuous and well-managed sensing and exploration does not automatically lead to improved competitive advantage or innovativeness but only enables

subsequent innovation activates to take place (Helfat & Peteraf, 2009).

Opportunity sensing capability comprises a firm's ability to recognize shifts in the environment that could impact the firm's business based on the current capability position (Teece, 2007). Thus, sensing relates to the recognition of opportunities and threats and the monitoring of the current capability endowment (Barreto, 2010). Organizations constitute sensing capability by establishing processes to regularly scan their local and distant business environment (Danneels, 2008; Teece, 2007), to interpret the gathered information, and to filter the relevant parts (Teece, 2007). Sensing capability comprises the starting point within a procedural perspective on dynamic capabilities, as it is the point where a possible need or opportunity to change is identified based on changes in the business environment. However, the need or opportunity for change is not solely determined by changes in the external environment. It also depends on the current resource and capability position as this position determines if there is need to build, extend or modify existing capabilities, and in which way, or if the organization can cope with the arising challenges based on the current capability endowment (Capron & Mitchell, 2009). Thus, it is not sufficient to scan the external environment. Furthermore, organizations also have to monitor the internal environment (Teece, 2007).

Sensing capabilities entails the monitoring of the changing business platform and emerging opportunities. Jantunen, Ellonen and Johansson, (2012) stated that this deals with an enterprise's ability to detect emergent opportunities and create new knowledge on how to adapt. Sensing opportunities is only part of the process, but also about sensing the right opportunities, which is no easy task. This is a process that requires learning, interpretation and creative learning (Teece, 2007). Further, he explains that the ability to identify opportunities is dependent not only on the enterprise's learning and knowledge capacities but also those of the individuals within the enterprise. For an enterprise to have an effective sensing process, the individuals in the enterprise must have the right skills to complement the enterprise's knowledge assets. Research states that engaging stakeholders like the customer or supplier in the sensing process can contribute to new innovation which should be integrated into the process (Teece, 2007).

### **Entrepreneurial Mindset**

Entrepreneurial mindset refers to a specific state of which orientates human conduct towards entrepreneurial activities and outcomes. Entrepreneurial mindset, therefore, is the ability to quickly sense, take action and get organized under uncertain conditions. An entrepreneur requires the ability to alter their way of thinking in order to see the endless possibilities in the world. The entrepreneur should have the ability to

persevere, accept and learn from failure and get comfortable with a certain level of discomfort. The entrepreneur must apply cognitive strategies as a way of solving problems such as reasoning, analysing, experimenting, etc. The entrepreneur mindset involves employing numerous cognitive strategies to identify opportunities, consider alternative options, and take action. The entrepreneurial mindset requires constant thinking and rethinking, adaptability, and self-regulation - the capacity to control our emotion and impulses (Sage, 2017).

Covin and Slevin (2006) defined entrepreneurial mindset as a behaviour, disposition, attributes and attitude that are connected with creativity, innovation with a view to capture opportunities in the business environment for organizational success. Antoncic and Hisrich (2003) also defined entrepreneurial mindset as the mental process and inclination toward capturing opportunity by being creative and innovative in time of favorable and turbulent times. But to Asenge, Diaka and Soom (2015) entrepreneurial mindset is defined in a holistic perspective. They assert that entrepreneurial mindset is considered a holistic perception of generating novel ideas, evaluating opportunities and risks, or starting and running a business, whereby an individual internally assesses his or her perceptions based on holistic rather than functional attributes.

Organizations with entrepreneurial mindset are often drawn to opportunities, innovation and new value creation. An entrepreneurial mindset according to Dhliwayo and Vuuren (2007) indicates a way of thinking about business and its opportunities that aim at maximizing the benefits associated with uncertainty. The characteristics include the ability to take calculated risks and accept the realities of change and uncertainty. For Senge (2007) it portrays the innovative and energetic search for opportunity and facilitates actions aimed at exploiting market opportunities within a country or access to foreign markets.

Endi, Suracham, Armanu and Djumilah (2013) found that entrepreneurial competencies propel business performance, the higher the competence that firms portray the higher the likelihood of good business performance. Most of the business failures are due to managers' incompetence, inadequacy and inexperience in managing their business and taking quick remedial action in crisis situations. Entrepreneurial competencies portfolio has a positive impact on the organizational performance as such are positively related to entrepreneurial survival and specifically, high entrepreneurial competencies and high managerial competencies are linked to satisfaction on financial performance whereas high managerial competencies and high technical competencies are linked to satisfaction on non-financial performance. Entrepreneurial competencies are a predictor of SMEs

business survival and success (Ahmad, Ramayah, Wilson & Kummerow, 2010; Gerli, Gubitta & Tognazo, 2011; Griffin, 2012; Roepga, 2011).

### **Proactiveness**

Pro-activeness is related to initiative and first-mover advantages and to taking initiative by anticipating and pursuing new opportunities (Lumpkin & Dess, 1996). Lumpkin and Dess (1996) argued that pro-activeness may be crucial to an Entrepreneurial Orientation because it suggests a forward-looking perspective that is accompanied by innovative and entrepreneurial activity. Pro-activeness relates to market opportunity in entrepreneurship by seizing initiative and acting opportunistically in order to shape the environment, that is, to affect trends and, perhaps, even to create demand. The characteristics of a proactive enterprise involve aggressiveness and unconventional tactics towards rival enterprises in the same market segment, such enterprises shape their environments by actively seeking and exploiting opportunities. Proactive firms introduce new products, technologies, administrative techniques to shape their environment and not react to it (Callaghan, 2009).

Proactiveness is an opportunity-seeking, forward-looking perspective involving introducing new products or services ahead of the competition and acting in anticipation of future demand to create change and shape the environment. Risk taking is generally understood as entering in the fields previously not exploited or new ventures. It is the tendency to take bold actions such as venturing into unknown new markets, committing a large portion of resources to ventures with uncertain outcomes, and/or borrowing heavily.

The concepts of innovativeness and risk-taking are related to pro-activeness because to innovate and take risks indeed requires no more than the intention to leave the comfort zone and cause change and drive business growth through the launch of a new product or process (Kandemir & Acur, 2012; Talke & Hultink, 2010). Proactiveness as a dimension of EO refers to “the will and foresight to seize new opportunities” (Lumpkin & Dess, 1996). A proactive firm is forward-looking and opportunity-seeking (Lumpkin & Dess, 2001). It focuses on the future and seeks to capitalize on opportunities it sees by using all its knowledge of the environment, i.e. the needs of customers, supply of resources, technology availability, competitor strategies, etc. Pro-activeness is related to first-mover advantage since a firm which is able to anticipate future needs and develop new products to meet such needs ahead of competition tends to capture advantageous positions in sourcing, funding, access to markets, etc. (Rauch, Wiklund, Lumpkin, Frese & Micheal, 2009).

Pro-activeness of a firm determines the attitudes of new product developers toward generation of innovative ideas and bringing these ideas into reality. Prior research shows that firms serving industrial markets or consumer product markets differ from each other in terms of pro-activeness, with the former being more inclined toward standardization and control and less proactive in satisfying current and future customer needs; while the latter being more responsive to changing customer preferences and more ready to meet customer preferences through innovation (Sebora & Theerapatvong, 2010). Within the context of corporate entrepreneurship, pro-activeness is concerned with first mover advantage demonstrated in terms of opportunity-seeking, forward looking perspective ahead of the competition and acting in anticipation of future demand to create change and shape the environment (Lumpkin & Dess, 2001; Wong, 2012).

### **Competitive Aggressiveness**

Competitive Aggressiveness refers to the efforts a business makes to outperform its rivals. It is the firm’s propensity to directly and intensely challenge its competitors to achieve entry or improve position: to outperform industry rivals in the marketplace, this is characterized by responsiveness in terms of confrontation or reactive action (Deakins & Freel, 2012). Competitive Aggression as a dimension of an Entrepreneurial Orientation refers to the type of intensity and head-to-head posturing that new entrants often need to compete with existing rivals. In contrast to pro-activeness, which relates to market opportunities, Competitive Aggressiveness refers to how enterprises relate to competitors and respond to trends and demand that already exist in the marketplace with regard to competitors (Deakins & Freel, 2012; Lumpkin & Dess, 1996.). Lumpkin and Dess (1996) stressed that competitive aggressiveness is an important dimension of an entrepreneurial mindset. Miller (2011), however, considers only proactiveness, innovativeness, and risk taking as the only dimensions of an entrepreneurial mindset. Lumpkin and Dess (1996) developed the construct further from Miller’s (2011) original theory by incorporating competitive aggressiveness and autonomy.

Competitive aggressiveness refers to the organization’s way of engaging with its competitors, distinguishing between companies that shy away from direct competition with other companies and those that aggressively pursue their competitors’ target markets. While innovativeness is aimed at introducing new products, which is a type of competitive action, competitive aggressiveness is more rival focused. It is a firm’s propensity to directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals in the marketplace.

### **Risk- Taking**

Risk taking relates to a business readiness to pursue opportunities despite uncertainty around the eventual success (Deakins & Freel, 2012). It entails acting boldly without knowing the consequences. Risk taking, may also be viewed as a firm's management knowingly devoting huge amount of resources to projects in anticipation of high returns but may also entail a possibility of higher failure (Mahmoud & Hanafi, 2013). The psychological theories of locus of control and need for achievement entail a moderate level of risk taking propensity (Deakins & Freel, 2012). Callaghan (2009) has also been associated with higher performance by individuals. This might predict that a moderate level of risk taking propensity would be associated with higher levels of performance.

Risk-taking propensity can be defined as a person's orientation to take risks (Autoncic, Hisrich, Marks & Bachkirov, 2018). Kort (2017) assert that successful leaders and entrepreneurs who are comfortable risk takers have developed a mindset around risk taking and a process by which to manage their risks in order to manage their emotions about the unknown, reap the benefits and maximize their returns when they take on risks to progress and grow. One of the entrepreneur's personality traits is risk-taking. A risk situation occurs when you are required to make a choice between two or more alternatives whose potential outcomes are not known and must be subjectively evaluated (Meredith, Nelson, Nook, 1982; in Don-Baridam, 2014). People are afraid to take risk because they want to be safe and avoid failure. But the entrepreneur are constantly involved in taking calculated business risk because they want to be successful. Recent research indicates that entrepreneurs secure higher on risk-taking than do non-entrepreneurs (Aseng, Diaka & Soom, 2018). It is generally believed that entrepreneurs take more risks than non-entrepreneurs because the entrepreneur faces a less structured and more uncertain set of possibilities (Oscar, 2013). Risk taking is also perceived as tendency towards risky projects (Abratt & Lombard, 1993).

### **Opportunity-Sensing Capability and Entrepreneurial Mindset**

With the changes in dynamic environment, more firms have employed entrepreneurial orientation with the characteristics of innovativeness, risk-taking and proactiveness (Covin & Slevin, 1991; Lumpkin & Dess, 1996). In this sense, dynamic capabilities can be cultivated, with the gain of competitiveness. Wiklund (1999) found that entrepreneurial orientation has an essential effect on organizational culture, internal operation process, organizational learning and capabilities improvement. Therefore, entrepreneurship strategy is becoming the key choice in response to complex environment as well as managerial transformation (Zahra, Sapienza & Davidsson, 2006). Besides, higher level of entrepreneurial orientation supports the capabilities of discovering opportunities,

which will have a positive effect on dynamic capabilities (Jantunen, Puumalainen, Saarenketo & KylÄheiko, 2005). Generally, entrepreneurial oriented firms can create, define, discover and exploit new market opportunity earlier than competitors (Hamel & Prahalad, 1994). Moreover, Subba and Narasimha (2001) revealed a positive effect of entrepreneurial orientation on dynamic capabilities, which indicated that entrepreneurial organization would help form dynamic capabilities.

Proactiveness represents a forward-thinking perspective that motivates the firm to question established logics and assumptions about customers, competition, and the environment (Bateman & Grant, 1993). This may lead to the creation of new resource combinations that may require competencies that are not currently available in the firm (Atuahene-Gima & Ko, 2001; Kusumawardhani, 2013). Proactiveness also refers to a posture of anticipating and acting on future market changes, namely customer needs and preferences (Kusumawardhani, 2013). Nowadays markets are characterised by fast and intense market alterations (Menguc & Auh, 2010), more demanding customers and hypercompetition (Brown & Eisenhardt, 1998). Such conditions pressurise firms into being aware of and keeping up with the market. The adjustment or enhancement of existing products (Atuahene-Gima & Ko, 2001), as well as product line extensions, allow the firm to do so with relatively low costs and risk (Gray *et al.*, 2017).

Risk-taking represents a willingness to commit resources to new projects with the pursuit of an opportunity (Lumpkin & Dess, 1996). It is usually associated with projects with unknown outcomes or high costs of failure (Lisboa, Skarmas & Saridakis, 2015). It also includes opportunity-seeking behaviour and constructive risk-taking (Hughes & Morgan, 2007; Lumpkin & Dess, 1996). It is also likely to affect exploitative activities, since projects of an exploitative nature provide the capital flow that firms need to survive in the short run and to invest in high risk and high capital consuming projects (Gray *et al.*, 2017). Hence, a risk-taking posture can be seen as being conducive to the improvement and extension of a firm's existing products, with those future outcomes in mind. An entrepreneur and other important decision makers are boundedly rational and undertake choices designed to maximise goals, hence firms with greater integration skills are more inclined to leverage these skills as the positive feedback encourages further use. For instance, the call for research on the reconfiguring capabilities in SME emerging ventures, and in particular, the process where by these important capabilities are born and matured necessitated the writing of this research (Sapienza, Autio, George & Zahara, 2006).

From the foregoing discourse, the study hypothesized thus:

- Ho<sub>1</sub>:** There is no significant relationship between opportunity- capability and proactiveness of domestic airlines in Nigeria.
- Ho<sub>2</sub>:** There is no significant relationship between opportunity- capability and competitiveness aggressiveness of domestic airlines in Nigeria.
- Ho<sub>2</sub>:** There is no significant relationship between opportunity- capability and risk-taking of domestic airlines in Nigeria.

## METHODOLOGY

The study adopted an explanatory cross sectional survey research design which was carried out

at the organizational level of analysis. The population of this study was the nine (9) operational scheduled domestic airline operators in Nigeria. The managers involved were: Station Manager, Cabin Service Manager, Director of Airline Services, Operations Manager and Regional Manager. The study adopted the entire population as a census. The reliability of the instrument was ascertained using the Cronbach alpha reliability instrument with all items scoring above 0.70. The Spearman Rank Order Correlation Coefficient was utilized to establish the level of relationship as hypothesized with the aid of Statistical Package for Social Sciences version 23.0.

**Table-1: Reliability Cronbach's Alpha ( $\alpha$ ) test**

Construct/dimensions	Pilot Test			Final study		
	Number of scale items	Number of Cases	Cronbach alpha ( $\alpha$ )	Number of scale items	Cronbach alpha ( $\alpha$ )	Number of Cases
Opportunity Sensing	5	9	0.821	5	0.876	35
Proactiveness	4	9	0.709	4	0.884	35
Competitive Aggressiveness	4	9	0.767	4	0.809	35
Risk-Taking	4	9	0.809	4	0.821	35

Source: SPSS Output

Table 1 shows the results of the Cronbach alpha reliability test carried out using SPSS version 23.0 to assess the mean of the responses for each item. The results reveal that all the coefficients are higher than 0.70, which is the acceptable value. This indicates that the correlation within the study variables is high, therefore there is a high level of reliability of the research instrument.

## DATA ANALYSIS AND RESULTS

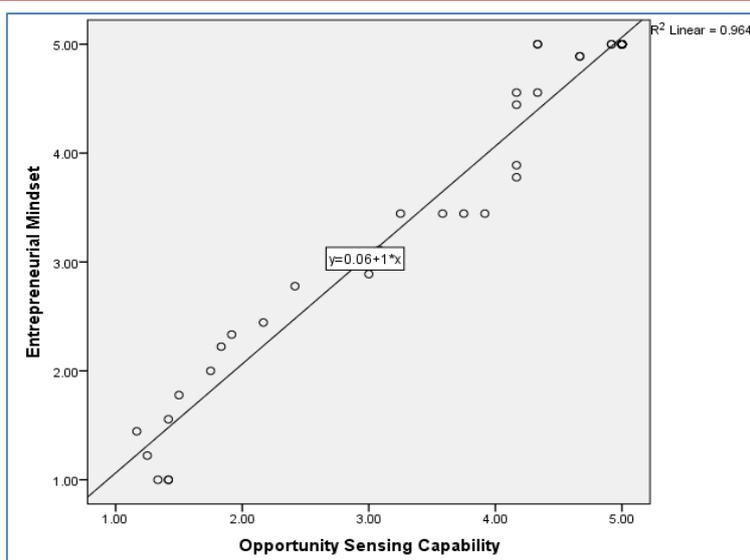
### Bivariate Analysis

The level of significance 0.05 was adopted as a criterion for the probability of accepting the null hypothesis in ( $p > 0.05$ ) or rejecting the null hypothesis in ( $p < 0.05$ ). The decision rule which applies for all bivariate test outcomes is according to Bryman and Bell (2003), where:

**Table-2: Shows the description of range of correlation (Rho) values, as well as the correlative level of association**

Range of Rho (+ and – sign value)	Association strength
$\pm 0.80 - 0.99$	Very strong
$\pm 0.60 - 0.79$	Strong
$\pm 0.40 - 0.59$	Moderate
$\pm 0.20 - 0.39$	Weak
$\pm 0.00 - 0.19$	Very weak

Source: Researchers Desk



**Fig-1: Scatter plot showing the direction of the relationship between opportunity-sensing capability and entrepreneurial mindset**

Figure 1 shows a very strong relationship between opportunity-sensing capability (independent variable) and entrepreneurial mindset (dependent variable). The scatter plot graph shows that the linear value of (0.964) depicting a very strong viable and positive relationship between the two constructs. The implication is that an increase in opportunity-sensing capability simultaneously brings about an increase in the level of entrepreneurial mindset. The scatter diagram has provided vivid evaluation of the closeness of the relationship among the pairs of variable through the nature of their concentration.

### Opportunity-Sensing Capability and Entrepreneurial Mindset

Table 3 shows the result of correlation matrix obtained for opportunity-sensing capability and the measures of entrepreneurial mindset. Also displayed in the table is the rho-value which was used to answer the research question while the statistical test of significance (p - value) was used to accept or reject the hypotheses and generalize our findings to the study population.

**Table-3: Correlations for opportunity sensing capability and entrepreneurial mindset**

			Opportunity Sensing Capability	Proactiveness	Competitive Aggressiveness	Risk-Taking
Spearman's rho	Opportunity Sensing Capability	Correlation Coefficient	1.000	.955**	.722**	.621**
		Sig. (2-tailed)	.	.000	.000	.000
		N	35	35	35	35
	Proactiveness	Correlation Coefficient	.955**	1.000	.613**	.613**
		Sig. (2-tailed)	.000	.	.000	.000
		N	35	35	35	35
	Competitive Aggressiveness	Correlation Coefficient	.722**	.613**	1.000	.286*
		Sig. (2-tailed)	.000	.000	.	.011
		N	35	35	35	35
	Risk-Taking	Correlation Coefficient	.621**	.613**	.286*	1.000
		Sig. (2-tailed)	.000	.000	.011	.
		N	35	35	35	35
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

Source: SPSS Output

### Opportunity-Sensing Capability and Proactiveness What is the relationship between opportunity-sensing capability and proactiveness of domestic airlines in Nigeria?

The correlation coefficient (rho) for opportunity-sensing capability and proactiveness indicate that there is a very strong positive correlation between sensing capability and proactiveness. The direction and strength of this relationship is depicted by

the rho-value of 0.955. Implying that an increase in proactiveness was as a result of the adoption of opportunity-sensing capability in the studied domestic airlines in Nigeria. Therefore, there is a positively very strong correlation between opportunity-sensing capability and agility of domestic airlines in Nigeria.

**Ho<sub>1</sub>: There is no significant relationship between opportunity-sensing capability and proactiveness of domestic airlines in Nigeria**

Similarly displayed in the table is the statistical test of significance (p-value), which makes possible the generalization of our findings to the study population. From the result obtained from table 3, the sig-calculated is less than significant level ( $p = 0.000 < 0.05$ ). Thus, we reject the null hypothesis and accept the alternate. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between opportunity-sensing capability and proactiveness of domestic airlines in Nigeria.

**Opportunity-Sensing Capability and Competitive Aggressiveness**

**What is the relationship between opportunity-sensing capability and aggressiveness of domestic airlines in Nigeria?**

The correlation coefficient (rho) for opportunity-sensing capability and competitive aggressiveness indicate that there is a strong positive correlation between sensing capability and competitive aggressiveness. The direction and strength of this relationship is depicted by the rho-value of 0.722. Implying that an increase in competitive aggressiveness was as a result of the adoption of opportunity-sensing capability in the studied domestic airlines in Nigeria. Therefore, there is a positively strong correlation between opportunity-sensing capability and competitive aggressiveness of domestic airlines in Nigeria.

**Ho<sub>2</sub>: There is no significant relationship between opportunity-sensing capability and Competitive Aggressiveness of domestic airlines in Nigeria**

From the result obtained from table 3 above, the sig- calculated is less than significant level ( $p=0.000<0.05$ ). Thus, we reject the null hypothesis and accept the alternate. Consequently, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between opportunity-sensing capability and competitive aggressiveness of domestic airlines in Nigeria.

**What is the relationship between opportunity-sensing capability and risk-taking of domestic airlines in Nigeria?**

The correlation coefficient (rho) for opportunity-sensing capability and risk-taking indicate that there is a strong positive correlation between

sensing capability and risk-taking. The direction and strength of this relationship is depicted by the rho-value of 0.621. Implying that an increase in competitive aggressiveness was as a result of the adoption of opportunity-sensing capability in the studied domestic airlines in Nigeria. Therefore, there is a positively strong correlation between opportunity-sensing capability and risk-taking of domestic airlines in Nigeria.

**Ho<sub>3</sub>: There is no significant relationship between opportunity-sensing capability and Risk-Taking of domestic airlines in Nigeria**

From the result obtained from table 3 above, the sig- calculated is less than significant level ( $p=0.000<0.05$ ). Thus, we reject the null hypothesis and accept the alternate. Consequently, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between opportunity-sensing capability and risk-taking of domestic airlines in Nigeria.

**DISCUSSION OF FINDINGS**

The study examined the relationship between opportunity-sensing capability and aggressiveness of domestic airlines in Nigeria. The finding revealed that there is a strong positive and significant relationship between opportunity-sensing capability and aggressiveness of domestic airlines in Nigeria. This finding supports Albasri (2020) who carried out a study on entrepreneurial orientation, dynamic capabilities and SMEs performance in Saudi Arabia and found that The findings indicate that the entrepreneurial orientation, exploring, exploiting, and reconfiguration capabilities jointly have a positive effect on performance. However, the findings show that dynamic capability only partially mediates the respective effects of entrepreneurial orientation on performance. His results provide convincing support for the importance of dynamic capability in enhancing firm performance. Furthermore, the findings of this study complements the earlier work of Jantunen, Puumalainen, Saarenketo and KylÄheiko (2005) who carried out a study on entrepreneurial orientation, dynamic capabilities and international performance among Finnish firms and found indicate that the firm's entrepreneurial orientation and its reconfiguring capabilities have a positive and significant effect on performance. Their findings stress the role of reconfiguring capabilities in the firm's expansion into new, in this case foreign, markets. Jantunen, Puumalainen, Saarenketo and KylÄheiko (2005) believe that higher level of entrepreneurial orientation supports the capabilities of discovering opportunities, which will have a positive effect on dynamic capabilities.

Moreso, the findings of this study aligns with Muthee and Karanja (2014) who sought to establish influence of entrepreneurial orientation on growth of micro and small enterprises in Kerugoya, Kenya. The

study found that the dimensions of EO (innovativeness, risk taking, pro-activeness, and entrepreneurial managerial competence) have a significant positive influence on growth of Micro and Small Enterprises. These findings also imply that SMEs should embrace EO both at individual and firm level to secure maximal performance. In the same vein, the study confirms the findings of Mahmood and Hanafi (2013) who conducted a study on entrepreneurial orientation and business performance of Women-Owned Small and Medium Enterprises in Malaysia: Competitive Advantage as a Mediator. The findings revealed that significant relationships exist between entrepreneurial orientation and performance, while competitive advantage was found to partially mediate the entrepreneurial orientation and performance relationships. This means that for performance of SMEs, entrepreneurial orientation (EO) and Dynamic capabilities are capable of mediating or moderation of performance of SMEs as they predict competitive advantage. In like manner also, the study affirm the findings of Bahram and Azhdar (2016) who assessed technology orientation, dynamic capabilities and SMEs Performance in Science Parks in Iran. The results indicated that among three different types of dynamic capabilities, learning capability was the most effective mediator between technology orientation and performance. Given the evidence technology orientation and Dynamic capability is beneficial to business performance of SMEs. Worthy of note also is the fact that this study gives credence to the findings of Açıkdilli and Doğ,an (2013) who conducted a study on dynamic capabilities and entrepreneurial orientation in the new product development. The study contended that EO affect new product development. They concluded that new product development is an integration of two focal construct dynamic capabilities and entrepreneurial orientation. However these findings were based on the theoretical exposition observations and not statistical evidence.

Lumpkin and Dess (1996) noted that proactive firms act through explorative processes to develop and introduce diverse or new processes, products and technologies. The proactiveness of a firm means that it is willing and able to invest in explorative opportunities, with factors such as employee job autonomy, and moderating effects such as the dynamism of the environment enhancing explorative innovativeness. In such organisations, firms and their staff are proactive to dynamic environment in absorbing new and existing knowledge to make the firms stable and able to improve their performance (Eisenhardt & Martin, 2000). Proactivity was found to increase the firm's potential to support its existing capabilities by increasing the intensity of its activities (Martin & Javalgi, 2016). Similarly, risk taking is also likely to affect exploration capability. Risk-taking leads organisations to be less conservative as they seek to explore new options and opportunities by increasing their product and processes

options (Gunasekaran *et al.*, 2004). Moreover, risk-taking firms tend to be more explorative as they take on new technologies, products and enter new markets which require them to explore new options and opportunities (Lechner & Gudmundsson, 2014). Lumpkin and Dess (1996) qualify this by suggesting that only constructive risk-taking has a positive relationship with opportunity sensing because this leads to improved performance and not to increased threats to the business. Such risk-taking ventures lead to commercially successful new products and technologies.

## CONCLUSION

Given the evidence from the findings, this study therefore concludes that opportunity sensing capability supports entrepreneurial mindset of domestic airlines in Nigeria. By implication, the entrepreneurial mindset of domestic airlines in Nigeria depends on consistent and competitive behaviour that relies on a firm's ability to learn and adapt by exploration of opportunities in the dynamic environment. Opportunity sensing capability as a factor has been argued to be an activity that helps organisations to grow by bringing in new ways of running and managing the business.

## RECOMMENDATIONS

Based on the findings, this study thus recommends that:

- i. Domestic airlines must engage in opportunity sensing behaviours such as new exploration, support new ideas, experiment, and stimulate creativity, and must seize business opportunities in the market proactively and obtain first-mover advantages by entering unexplored domains.
- ii. Sensing opportunities would amount to nothing if there is no risk-taking. Therefore, Domestic airlines should be more open to taking bold risk by the willingness to commit resources to new projects, developing new routes and purchase of new aircrafts with the pursuit of an opportunity.
- iii. Domestic airlines should adopt competitive aggressive move by investing in product and service development, refining their existing knowledge and anticipating future market changes that would ensure they introduce new service packages ahead of their competitors.

## REFERENCES

- Abratt, R., & Lombard, A. (1993). Determinants of product innovation in specialty chemical companies. *Industrial Marketing Management*, 22(3), 169–176.
- Açıkdilli, G., & D. (2013). Dynamic Capabilities and entrepreneurial orientation in the new product development. *International Journal of Business and Social Science*, 4 (11), 144-150.
- Ahmad, N.H., Ramayah, T., Wilson, C., & Kummerow, L. (2010). Is entrepreneurial competency and business success relationship

contingent upon business environment? A study of Malaysian SMEs. *International Journal of Entrepreneurial behaviour & Research*, 16(3), 182-203.

- Albasri, M.F. (2019). Entrepreneurial orientation, dynamic capabilities and SMEs performance in Saudi Arabia. A thesis submitted to the University of Plymouth in partial fulfilment for the degree of Doctor of Philosophy
- Antoncic, B., & Hisrich, R. D. (2003). Clarifying the intrapreneurship concept. *Journal of Small Business and Enterprise Development*, 10(1), 7–18.
- Asenge, E., Diaka, H., & Soom, A. (2018). Entrepreneurial mindset and performance of small and medium scale enterprises in Makurdi metropolis, Benue State, Nigeria. *International Journal of Innovation*, 6(2), 124-146
- Atuahene-Gima, K., & Ko, A. (2001). 'An empirical investigation of the effect of market orientation and entrepreneurship orientation alignment on product innovation', *Organisation Science*, 12(1), 54-74.
- Atuahene-Gima, K., Ko, A., & Li, H. (2002). When does trust matter? Antecedents and contingent effects of supervisee trust on performance in selling new products in China and the United States. *Journal of Marketing*, 66(6), 61–81
- Bahram, R. H., & Azhdar, K. (2016). Technology orientation, dynamic capabilities and SMES performance. *Strategic Management Quarterly*, 4(1), 41-60.
- Baridam, D.M. (1993). Management and Organization Theory, Port Harcourt. Pam Unique Publishers
- Barreto, I. (2010). Dynamic capabilities: A review of past research and an agenda for the future. *Journal of Management*, 36(1), 256-280.
- Bateman, T. S., & Crant, J. M. (1993). The proactive component of organizational behavior: A measure and correlates. *Journal of Organizational Behavior*, 14(2), 103-118.
- Bateman, T.S., & Grant, J.M. (1993). 'The proactive component of organisational behaviour: a measure and correlates', *Journal of Organisational Behaviour*, 14(2); 103-118.
- Brown, S.L., & Eisenhardt, K.M. (1998). *Competing on the Edge: Strategy as Structured Chaos*. Boston: Harvard Business School Press.
- Brown, S.L., & Eisenhardt, K.M. (1998). *Competing on the Edge: Strategy as Structured Chaos*. Boston: Harvard Business School Press.
- Bryman, A., & Bell, E. (2003). *Business Research Methods*. Oxford University Press, Oxford.
- Callaghan, C.W. (2009). *Entrepreneurial orientation and entrepreneurial performance of Central Johannesburg Informal Sector Street Traders*.
- Capron, L., & Mitchell, W. 2009. Selection capability: How capability gaps and internal social frictions affect internal and external strategic renewal. *Organization Science*, 20(2); 294-312.
- Cooper, D. R., & Schindler, P. (2008). *Business Research Methods (10th ed.)*. Boston: Mcgraw.Hill International Edition
- Covin, J. G., & Slevin, D. P. (1991). Conceptual model of entrepreneurship as firm behavior. *Entrepreneurship Theory and Practice*, 16(1), 7–25.
- Covin, J. G., Green, K. M., & Slevin, D. P. (2006). Strategic process effects on the entrepreneurial orientation–sales growth rate relationship. *Entrepreneurship. Theory & Practice*, 30(1), 57–81
- Covin, J.G. & Slevin, D.P. (1991). A conceptual model of entrepreneurship as firm behavior. *Entrepreneurship Theory and Practice*, 16 7–24.
- Danneels, E. (2008). Organizational antecedents of second-order competences. *Strategic Management Journal*, 29(5), 519-543.
- Deakins, L.A., & Freel A.V. (2012). Entrepreneurial orientation, access to financial resources, and product performance in the Greek Commercial TV Industry. *The Ser Ind Journal*, 31(6), 897-910.
- Dhliwayo, S., & Van Vuuren, J. J. (2007). The strategic entrepreneurial imperative. *Acta Commercci*, 7, 123-134.
- Eisenhardt, K. M., & Brown, S. L. (1998). Competing on the edge: Strategy as structured chaos. *Long Range Planning: International Journal of Strategic Management*, 31(5), 786–789.
- Eisenhardt, K.M., & Martin, J.A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*, 21(10/11), 1105-1121.
- Endi, S., Surachman, A., & Djumilah, H. (2013). Entrepreneurial characteristics and competency as determinants of business performance in SMEs. *Journal of Business and Management*, 7(3), 30-38.
- Gerli, F., Gubitta, P., & Tognazzo, A. (2011). Entrepreneurial Competencies and Firm Performance: An Empirical Study Paper presented at t h e VIII International Workshop on Human Resource Management Conference Proceedings, Seville. Retrieved from: [https://www.researchgate.net/publication/228314296\\_Entrepreneurial\\_Competencies\\_and\\_Firm\\_Performance\\_An\\_Empirical\\_Study](https://www.researchgate.net/publication/228314296_Entrepreneurial_Competencies_and_Firm_Performance_An_Empirical_Study). Accessed: 25<sup>th</sup> April, 2021
- Hagedoorn, J. (1996). Innovation and entrepreneurship: Schumpeter revisited. *Industrial and Corporate Change*, 5(3), 883-896.
- Hamel, G., & Prahalad, C. K. (1994). *Competing for the future*. Boston, MA: Harvard Business School Press
- Helfat, C., Finkelstein, S., Mitchell, W., Peteraf, M., Singh, H., Teece, D. J., & Winter, S. (2007). *Dynamic capabilities: Understanding strategic change in organizations*. London: Blackwell.

- Hughes, M., & Morgan, R. E. (2007). Deconstructing the relationship between entrepreneurial orientation and business performance at the embryonic stage of firm growth. *Industrial Marketing Management*, 36, 651-661.
- Jantunen, A., Puumalainen, K., Saarenketo, S., & Kyläheiko, K. (2005). Entrepreneurial orientation, dynamic capabilities and international performance. *Journal of International Entrepreneurship*, 3(3), 223-243.
- Jantunen, A., Ellonen, H. K., & Johansson, A. (2012). Beyond appearances—do dynamic capabilities of innovative firms actually differ?. *European Management Journal*, 30(2), 141-155.
- Jantunen, A., Puumalainen, K., Saarenketo, S., & Kyläheiko, K. (2005). Entrepreneurial orientation, dynamic capabilities and international performance. *Journal of International Entrepreneurship*, 3, 223–243
- Kandemir, D. Acur, N., & Boer, H. (2012). Strategic alignment and new product development: drivers and performance effects. *Journal of Product Innovation Management*, 29, 304-318.
- Kusumawardhani, A., McCarthy, G., & Perera, N. (2009). Framework of entrepreneurial orientation and networking: A study of SMEs performance in a developing country. Proceedings of the Australian and New Zealand Academy of Management Conference (pp. 1-16). Adelaide, Australia: Australian and New Zealand Academy of Management
- Lechner, C., & Gudmundsson, S. V. (2014). Entrepreneurial orientation, firm strategy and small firm performance', *International Small Business Journal*, Epub ahead of print, 10 September 2012. DOI: 10.1177/0266242612455034
- Lisboa, A., Skarmas, B., & Saridakis, C. (2015). Entrepreneurial orientation pathways to performance: A fuzzy-set analysis. *Journal of Business Research*, 69(4), 1-10.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135–73.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of management Review*, 21(1), 135-172.
- Lumpkin, G.T. & Dess, G.G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 3(16), 124-139.
- Mahmood, R., & Hanafi, N. (2013). Entrepreneurial orientation and business performance of women-owned small and medium enterprises in Malaysia: Competitive Advantage as a Mediator. *International Journal of Business and Social Science*, 4(1), 82-90.
- Mahoney, J. T. (1995). The management of resources and the resource of management. *Journal of Business Research*, 33(2), 91-101
- Martin, J. A. (2011). Dynamic managerial capabilities and the multi-business team: the role of episodic teams in managerial leadership groups. *Organisation Science*, 22(1), 118-140.
- Menguc, B., & S. Auh. (2010). 'Development and return on execution of product innovation capabilities: the role of organisational structure', *Industrial Marketing Management*, 39(5), 820-831.
- Menguc, B., & S. Auh. (2010). 'Development and return on execution of product innovation capabilities: the role of organisational structure', *Industrial Marketing Management*, 39(5), 820- 831.
- Meredith, G., Nelson, H., & Hook, R. (1982). *The Practice of Entrepreneurship International Labour of Fe'*, Geneva
- Muthee, A., & Karanja, N. (2014). Influence of entrepreneurial orientation on growth of micro and small enterprises in Kerugoya, Kenya. *European Journal of Business Management*, 1(11).
- O'Reilly, C.A. III & Tushman, M. (2008). Ambidexterity as a dynamic capability: Resolving the innovators' dilemma. *Research in Organizational Behaviour*, 28, 185–206.
- Rauch, A, Wiklund, J., Lumpkin, G.T., Frese, T., & Micheal, V. (2009). Entrepreneurial Orientation and Business Performance: An Assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice*, 33(3), 761-787
- Ropega, J. (2011). The reasons and symptoms of failure in SME. *International Advances in Economic Research*, 17(4), 476-483.
- Sapienza, H.J., Autio, E., George, G., & Zahara, S. (2006). A capabilities perspective on the effects of early internationalization on firm survival and growth. *Academy of Management Review*, 31(4), 914–933.
- Sapienza, H.J., Autio, E., George, G., & Zahara, S. (2006). A capabilities perspective on the effects of early internationalization on firm survival and growth. *Academy of Management Review*, 31(4), 914–933
- Schumpeter, J. A. (1942). *Socialism, capitalism and democracy*. New York: Harper & Brothers.
- Schumpeter, J. A. 1949. *Economic theory and entrepreneurial history*. Cambridge, MA: Harvard University Press.
- Sebor, T. C., & Theerapatvong, T. (2010). Corporate entrepreneurship: A test of external and internal influences on managers' idea generation, risk taking, and proactiveness. *International Entrepreneurship and Management Journal*, 6(3), 331–350.

- 
- Senge, M. (2007). Knowledge entrepreneurship in universities: practice and strategy of Internet based innovation appropriation [Online]. Available www: <http://knowledgeentrepreneur.com>. Accessed: 23<sup>rd</sup>, June, 2021
  - SubbaNarasimha, P. N. (2001). Strategy in trubulent environments: The role of dynamic competence. *Managerial and Decision Economics*, 22. 201–212
  - Talke, K.S.S., & Hultink, H.J. (2010). The impact of the corporate mind-set on new product launch strategy and market performance. *Journal of Product Innovation Management*, 27(2), 220-237.
  - Teece, D. J. (2007). Explicating dynamic capabilities: the nature and micro-foundations of (sustainable) enterprise competitive advantage. *Strategic Management Journal*, 28, 1319–1350.
  - Teece, D., Pisano, G., & Shuen, A. 1997. Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.
  - Wiklund, J. (1999). The sustainability of the entrepreneurial orientation-performance relationship. *Entrepreneurship Theory and Practice*, 24, 37–48.
  - Wong, P. T. P. (Ed.) (2012). *The human quest for meaning: Theories, research, and applications (2nd Edition)*. New York, NY: Routledge.
  - Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. *Journal of Management Studies*, 43(4), 917–955.