

**THE RELATIONSHIP BETWEEN INNOVATIVE INITIATIVES AND HAIR CARE
VENTURE PERFORMANCE IN KENYA**

Catherine Wambui Njoroge¹

Department of Business Administration

Kenya Methodist University

Dorothy Kirimi²

Department of Business Administration

Kenya Methodist University

Eric Njeru³

Department of Business Administration

Kenya Methodist University

ABSTRACT

The purpose of this paper is to investigate the relationship between innovative initiatives and hair care venture performance in Kenya and present recommendations for implementations for performance improvement. The methodology used in this paper is the descriptive cross-sectional design. Data collection methods include structured and semi-structured questionnaires.

To reach this aim a questionnaire survey was performed among the 88 employees and proprietors of salons at Reinsurance Plaza, Nairobi. The database analyzed by SPSS V.21 statistical program using multivariate data analyses. According to the findings of this research supported the positive effects of innovation and business performance in context of the hair care industry.

Entrepreneurship orientation (EO) element of innovative initiative is highly significant to performance. In dealing with competitors, the salon business initiated new and unique actions rather than just waiting to respond to its major competitors' moves. The ventures decision to introduce new

products and services was a major boost to performance. The study focused on a localized number of hair ventures. A similar study should be conducted on an extensive area to investigate whether innovative initiatives still has a significant impact on performance. The paper extends innovative initiatives research into the realm of hair care ventures and adopts elements from opportunity - based theory as well as specific entrepreneurship factors as additional criteria for performance improvement.

Keywords- Innovative initiatives, hair care ventures, Performance, entrepreneurial orientation, Census.

1. Introduction

Innovativeness is in some views intrinsically linked to entrepreneurship in that entrepreneurs create new combinations of resources by the very fact of their entry into the market (Rodrigues, 2015). In the context of entrepreneurship orientation, innovativeness typically highlights the importance of technological leadership to the business, as well as changes in its product lines or services.

One of the most important research questions in the field of Entrepreneurship is the performance differences between companies that compete with each other in product/service market and the way to sustain competitive advantage. Competitive advantage is reflected in superior economic performance compared to rivals. Innovation is one of the most important capabilities to differentiate products, services, procedures, and overall our business in order to gain superior performance outcomes. Recent studies reveal the importance of organizational culture in order to be innovative and positive effects on business performance. Today, healthcare industry also became more competitive through new liberal policies. Thus innovativeness is a necessity to reach competitive advantage. In this context, the aim of this study is to identify the effects of innovativeness on hair ventures performance.

2. Literature Review

For Schumpeter (2012), the purest type of entrepreneur genus is the entrepreneur who confines himself most strictly to the characteristic entrepreneurial function, the carrying out of new combinations”, in a word: innovation. According to Lumpkin and Dess (2013) innovativeness reflects a tendency for an enterprise to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes”. Innovation is an important means of pursuing opportunities and so is an important component of an entrepreneurial orientation

Knight, (2010), warranted the use of innovativeness as a dimension of an entrepreneurial orientation in that it reflects an important means by which firms pursue new opportunities. This is similar with the fundamental perspective taken in entrepreneurship orientation: that the pursuit of opportunity is a conception at the core of entrepreneurship as argued by Stevenson and Jarillo (2010). An entrepreneurial orientation is therefore considered to represent dimensions associated with learned behaviors’ reflected in the processes carried out by individuals that are fundamentally important key elements in the pursuit of opportunity. Innovation can be classified into two types: product market innovation and technological innovation according to Lumpkin and Dess (2013).

The most useful classification of innovations is according to the dimensions of product/market innovation and technological innovation, although a certain degree of overlap might exist in reality. Innovation represents a continuum ranging from willingness to try new innovations to a serious commitment to innovation. In enterprises various measures of innovation might exist,

such as resources allocated to research and development, in addition to measures such as the number of new product or service introductions and how often changes are introduced in this regard (Rodrigues, 2015).

3. Statement of the Research Problem

Kenya's growing middle class and rising disposable income levels, increased investment by international players in hair care, growing numbers of professional hair care salons and increased product quality are all set to promote value and volume growth in the category over the forecast period (GoK,2013).

Njiru and Cheruiyot (2014), argued that consumer spending on hair care is expected to rise due to the production of new products which are more affordable and produce better results. This has been as a result of continuous innovation.

However, very little literature is available on the impact of innovation on performance of entrepreneurial orientations especially in Kenya. This gap epitomizes this study where the researcher will delve into the relationship between innovative initiatives and hair care venture performance in Kenya which represent entrepreneurial orientations in Kenya.

4. Objectives of the study

1. To find out how innovative initiatives impact on hair salon venture performance

5. Research Methodology

This research study is based on census. Census is mostly used when there is need for accurate information for many subdivisions of the population. According to Cooper and Schindler (2010), a census is the procedure of systematically acquiring and recording information about the members of a given population. The methodology used in this paper is the descriptive cross-sectional design. He asserts that census is the collection of information from all units in the population or a complete enumeration of the population. The sample of focus was 88 employees and proprietors of the salons situated at Reinsurance Plaza. Structured and semi-structured questionnaires were used to collect data which was analyzed using SPSS V.21.

6. Data Analysis and Interpretation

Table 1

Innovative initiatives and hair care venture performance

Descriptive Statistics			
	N	Mean	Std. Deviation
In dealing with competitors, the business initiates actions rather than respond to its major competitors	83	3.9157	.58406
Our venture actively seeks to exploit opportunities to introduce new products or services	83	3.6373	.10737
The proprietor favors a strong emphasis in business scanning, technological investments and innovations	83	3.7651	.80103
The proprietor believes in bold comprehensive acts in order to achieve the firm's objectives	83	3.5735	.55589
In general, the proprietor and employees of the venture have a strong tendency to be ahead of others	83	3.8916	.66287

It was established from the study findings that most of respondents agreed that In dealing with competitors, the business initiates actions rather than responding to its major competitors shown by a mean of 3.9157 and a standard deviation of 0.58406. The respondents also agreed that, the venture actively seeks to exploit opportunities to introduce new products or services as shown by a mean of 3.6373 and a standard deviation of 0.10737. The research findings also revealed that, the proprietor favors a strong emphasis in business scanning, technological investments and innovations as shown by a mean of 3.7651 and a standard deviation of 0.80103. Further, majority of respondents agreed that the proprietor believes in bold comprehensive acts in order to achieve the firms objectives as shown by a mean of 3.5735 and standard deviation of 0.55589 and they also agreed that in general, the proprietor and employees of the venture have a strong tendency to be ahead of others as shown by a mean of 3.8916 and a standard deviation of 0.66287. The

study by Garry (2012) supports these findings and argues that, the purest type of entrepreneur genus is the entrepreneur who confines himself most strictly to the characteristic entrepreneurial function, the carrying out of new combinations”, in a word: innovation (Garry, 2012).

Table 2

Model Summary of relationship between Innovative initiatives and hair care venture performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.699	.489	.483	.24079

a. Predictors: (Constant), Innovative Initiatives

The model summary revealed that innovation contributed to 48.9% of the performance of hair care ventures. This is a significant impact.

Table 3

Coefficients of the Relationship between Innovative initiatives and hair care venture performance

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.127	.102		11.081	.000
	Innovative Initiatives	.350	.040	.699	8.802	.000

a. Dependent Variable: Performance

This table shows that innovation is quite significant to performance meaning it plays a major role in performance improvement. The significance is at p=0.000

7. Additional findings

The findings on venture performance are in harmony with those of Smart and Conant (2014), who in their study on “Entrepreneurial orientation, distinctive marketing competencies and organizational performance” found out that the dimensions of EO tend to vary independently of each other, and that their effect on performance is contingent on moderating variables such as the industry stage and government policies.

The study showed that there exist a positive and significant relationship between innovation and hair salon venture performance as shown by: at $\beta_2 = 0.488$ and $p = 0.000$. This also implies that there is a significant association between innovation and performance of the hair salon venture performance. This additionally implies that as hair salon venture increases their innovative endeavors', performance increases by 48.8%. This finding is in harmony with the results of Lumpkin and Dess, (2013) who asserted that, innovative initiatives played an important role in enhancing firm performance, having both direct and indirect effects on firm performance

8. Conclusion

The study showed that there exists a positive and significant relationship between innovation and hair salon venture performance as shown by: at $\beta_2 = 0.488$ and $p = 0.000$. This also implies that there is a significant association between innovation and performance of the hair salon venture performance. This additionally implies that as hair salon venture increases their innovative endeavors', performance increases by 48.8%. This finding is in harmony with the results of Lumpkin and Dess, (2013) who asserted that, innovative initiatives played an important role in enhancing firm performance, having both direct and indirect effects on firm performance.

9. Recommendations

The study suggests to all entrepreneurs that, to be innovative and improve performance significantly, they must be committed to learning, entrepreneurs should avoid taking risks before learning the environment and establishing the likely drawbacks of such risks (calculated risks) they should learn which risks improve performance of their firms. Furthermore, championing an entrepreneurial learning of risk that favors' change may help the firm to be proactive in streamlining business processes, promoting autonomous decision-making, and tapping into individuals' creative power

10. Suggestion for further study

Due to the dynamic nature of business and entrepreneurship environment in general, a similar study should be conducted after a period of time in order to investigate whether there are any areas of unique factors or improvements on entrepreneurship orientation.

The study findings also revealed that Entrepreneurship Orientation (EO) element of innovative initiatives only accounted for 48.9% of the variation in venture performance as explained by adjusted R² of 0.489. Meaning other factors not tested like the government intervention as intervening variable should be considered for further research.

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