Competitive Aggressiveness and Business Performance of Event Management Firms in Port Harcourt, Nigeria

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ABSTRACT
The current research evaluated the influence of competitive aggressiveness on business performance of event management firms in Port Harcourt, Rivers State. The design of the study was cross-sectional survey. The population was sixty six (66) heads of the twenty two event management firms studied. The total population, being less than 100, was adopted for the study with no need for sampling. Questionnaire was the major instrument for data collection. Cronbach’s alpha test was used to measure the reliability of the questionnaire with the aid of Statistical Package for Social Sciences. Questionnaire copies were distributed to sixty six (66) respondents; sixty two (62) copies were retrieved. Responses obtained were recorded on a five-point Likert’s scale, varying from strongly agree, to strongly disagree. The Pearson Product Moment Correlation with the aid of Statistical Package for Social Science (SPSS) was used to test proposed hypotheses. The study concluded that competitive aggressiveness significantly influenced profitability and effectiveness of event management firms in Port Harcourt, Nigeria. It was recommended that owners/managers of event management firms should maintain competitive aggressiveness to not only preserve but also boost the profitability of their firms. It was recommended that owner/managers of event management firms should seek out and attend entrepreneurial workshops and training programs that will nurture their propensity for effective entrepreneurship strategies, attitudes and behaviours especially in the context of their industry.

Keywords: Competitive Aggressiveness, Business Performance, Profitability, Effectiveness

INTRODUCTION
Competitively aggressive firms are those who pay close attention to their competitors’ actions and initiate a series of their own. In other words, they prefer to invest in competitive actions such as product launches, marketing campaigns and price competition more frequently than others. It is characterized as the speed and number of competitive actions taken by a firm in comparison to the firm’s direct rivals (Lumpkin and Dess, 1996).

Competitive aggressiveness is linked to organizations ability to adapt to the external environment and ability of the organization and speed in the development of human resources more quickly than competitors (Coleman, 2019). Competitive aggressiveness entails a combative and forceful approach toward rivals through pre-emptive actions and aggressive responses to attacks (Lumpkin and Dess 2001 as cited by Coleman, 2019). Coleman (2019) further made a distinction between the two dimensions; being proactive (a response to opportunities) is an appropriate mode for firms in dynamic environments or in growth stage industries, competitive aggressiveness (a response to threats) is an appropriate mode for firms in hostile environments or in mature industries.
Apparently, the event management industry center’s on service, which reflects the tradition, art, and culture of the country by using labor-intensive specialized skills, and indigenous raw resources and materials (food preparation). With a culture that revolves around a wide range of celebrations, and the fluid nature of service delivery, the event management industry is one of the most vital sectors for entrepreneurship. The industry’s contribution to the economic growth of Nigerian particular internally generated revenue cannot be overstated. Business performance has its basic source from the resource based view, according to this theory the business is taken as an entity which is having resources and competence, a firm can achieve its competitive benefit by using its resources effectively and then boosting its performance (Jung, 2010). It refers to whether the managers are performing various functions of the company adequately to achieve their goals and objectives (Kim, 2005).

However, competitive dynamic research has broadly attempted to explain both the causes and consequences of competitive aggressiveness with particular emphasis on firm performance. Schumpeter, (1934, cited in Sahul & Peris-Ortiz, 2014) predicted many years ago that market leaders that fail to continually create new actions would eventually have their market positions eroded by rival firms. Empirical research has supported the Schumpeter's theory.

Performance can be attributed as the main indicator in assessing the operation of an organization. Many studies in the field of management have looked into the issue of performance especially in the context of strategic management (Venkatraman & Ramanujam, 1986). Measuring performance is important as it provides a benchmark for examining particular strategies implemented in the organization (Schendel & Hofer, 1979). According to Rozana and Abdul Hakim (2005) the assessment of performance is beneficial in upgrading and improving a firm’s existing programme and policy. However, there exists a dilemma for the cooperative firm on whether they should focus on the financial aspect or the social welfare of the members (Davis, 2006; Mayo, 2011).

Sleepy firms that are less aggressive than their rivals, appear to have been caught off guard, as evidenced by market share erosion (Ferrier, Smith and Grimm, 1999). Indeed, the prior research has shown that competitively aggressive firms are more likely to improve their competitive positions, market share, and increase their performance.

More specifically, the more total actions a firm carries out with greater average speed (aggressiveness) the better is its profitability and market share (Ferrier et al., 1999; Young, Smith and Grimm, 1996). In turn, firms that initiates competitive actions slower than their rivals often do not succeed in the competition (Derfus, Maggitti, Grimm & Smith, 2008).

It is these gaps that this study intends to fill by critically examining the influence of competitive aggressiveness on business performance of event management firms in Port Harcourt. Therefore, the purpose is to examine the influence of competitive aggressiveness on business performance of event management firms in Port Harcourt. Based on the objectives of the study, the following research questions were formulated.

1. Does competitive aggressiveness influence profitability of event management firms in Port Harcourt?
2. Does competitive aggressiveness influence effectiveness of event management firms in Port Harcourt?

LITERATURE REVIEW

Theoretical Background

The baseline theory that well connects the idea of employee orientation and business performance is social learning theory. This theory is of the view that an organization which lacks the capabilities for acquiring and utilizing existing knowledge and sourcing fresh insights, is likely to face extinction in the competitive economy, (Buchanan, 2000, as cited in Ahiauzu & Asawo, 2016). Consequently, the learning organization creates a clear vision about the future, through a coherent action plan of steady transformation, moving toward the envisioned dream, thereby becoming super productive. In this regard employee orientation is conceived of as a principal means of achieving the strategic renewal of the firm. According to Wheelen and Hunger (2004) (as cited in Ahiauzu & Asawo, 2016), strategic flexibility demands a long-term commitment
to the development and nurturing of critical resources and consequent negative entropy. From the above discourse, it is very clear that existing literature suggests there is a direct connection between firm competitiveness and business performance.

**Competitive Aggressiveness**

Competitive aggressiveness refers to behaviour that implies dynamic experimentation and realization of research and development policy aiming at maintaining a constant flow of new products or services introduced on the market (Perez-Luno, 2017). Furthermore, competitive aggressiveness is the organizations’ predispositions which constantly confront its competitors to improve its market position and outperform industry rivals in a marketplace (Lumpkin & Dess, 1996). It should be expected that competitively aggressive organizations will scan the environment in order to find new trends and keep up with the competition. That is why competitiveness means also the forward-looking perspective feature for an industry leader that has the capacity to seize and opportunity to predict future demands (Dess & Lumpkin, 2005).

The tendency of competitive aggressiveness is oriented in achievement, anticipation, emphasis on taking initiatives, predicting changes towards a significant situation, creating change and early preparation to the happening of an impending uncertain risk (Boohene, Marfo-Yiadom & Yeboah, 2016). As an entrepreneurial orientation dimension, competitive aggressiveness is a forward-looking and seeking opportunity perspective that means that the firm acts in anticipation of future trends and demands with a motive of capitalizing on the opportunities for profit gain (Kropp, Lindsay & Shoham, 2008).

Indeed, the prior research has shown that competitively aggressive firms are more likely to improve their competitive positions, market share, and increase their performance. More specifically, the more total actions a firm carries out with greater average speed (aggressiveness) the better is its profitability and market share (Ferrier et al., 1999; Young et al., 1996). In turn, firms that initiate competitive actions slower than their rivals often do not succeed in the competition (Derfus, Maggitti, Grimm & Smith, 2008).

Lee and Lim (2009) opined that for a firm to be successful in its business endeavor, it must be competitively aggressive, in order to beat competitors to the punch. Covin and Slevin (2009) posited that some evidence of competitive aggressiveness can be reached when evaluating the management attitude in terms of designing business operations. It is the propensity to directly contest with rivals instead of trying to elude them. Aggressive moves include price-cutting and high spending outlay on marketing quality, and manufacture ability.

Competitive aggressiveness is very similar to pro-activeness and it is therefore necessary to clarify the difference between these two dimensions. Competitive aggressiveness refers to how a business relates to competitors and how it responds to the existing demand in the market. It can be explained as organizations in the market competing for demand (Chang, Lin & Chen, 2007). The reason for competitive aggressiveness is thus to outperform rivals in the market and be prepared for possible competition (Antonic & Hisrich, 2003).

**Business Performance**

Improving performance is the major target of entrepreneurial organization (Wiklund& Shepherd, 2003). Entrepreneurship is crucial for progressive macroeconomic outcomes. It is equally essential in business performance too (Kusumawardhani, 2013). Despite various performance measurements, which are applied in different entrepreneurship studies, studies still do not provide any justification of selecting measures (Murphy, Trailer & Hill, 1996). The business performance is a compartment of organizational effectiveness (Venkatraman & Ramanujun, 1996). They argued that inclusive business performance refers to both financial and operational performance.

Indeed, the financial performance of an organization is very important, conversely, it does not represent the overall performance. To cover all areas, both the financial and non-financial performances are essential to measure. According to Matsuno, Mentzer and Özsomer (2002) most of the empirical studies of entrepreneurial orientation research employed performance as a dependent variable. They found it on their literature survey of fifty-one published entrepreneurship studies between 1987 and 1993. Based on the study, they further added and introduced the three dimensions of financial performance such as efficiency, growth, and profit.
The study of Stam and Elfring (2008) contributed technological performance as a measurement of organizational performance through speed of service delivery and O'Sullivan and Abela’s (2007) contribution of market share as a measurement dimension, the performance measurement seemed contextual. The performance measurement dimensions vary because of context. Literature shows that the measurement can be done subjectively and objectively, however, many researchers realized that the self-reported data or subjective measurement is easier (Stam & Elfring, 2008).

In the same vein, Venkatraman and Ramanujun (1996), concerning method, suggest that subjective measures of performance are consistent with objective measures. Thus, this study has also used the subjective approach to measure three performance measurement dimensions of Murphy (1996). Lebans and Euske (2006) define performance as a set of financial and non-financial indicators which offer information on the degree of achievement of objectives and results. Performance is dynamic, requiring judgment and interpretation. Business performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives).

**Profitability**

Profitability refers to the ability of a firm to generate revenue from its activities with its effective capacity. The goal of most organizations is profit maximization (Niresh & Velnampy, 2014). Profitability involves the capacity to derive benefits from all the business operations of an organization, firm or company (Muya & Gathogo, 2016). Profit usually acts as the entrepreneur's reward for his/her investment. As a matter of fact, profit is the main motivator of an entrepreneur for doing business. Profit is also used as an index for performance measurement of a business (Ogbadu, 2009).

Profit is the difference between revenue received from sales and total costs which includes material costs, labor and so on (Stierwald, 2010). Profitability is an excess of revenue over associated expenses for an activity over a period of time. Every organization or business expects to earn a profit, because profits are the engine room for success. The growth and survival of any business depends on the profit earned by such a firm. Thus, profit should not just be seen as the reward to owners of business rather it should be related with the interest of other segments of the society. Profit is the medium for deciding not just the economic, but the level of managerial efficiency and achievement of societal objective(s).

Profitability can be expressed either as accounting profits or economic profits and it is the main goal of a business venture (Anene, 2014). Profitability portrays the efficiency of the management in converting the firm’s resources to profits (Muya & Gathogo, 2016). Thus, firms are likely to gain a lot of benefits related to increased profitability (Niresh & Velnampy, 2014). One important precondition for any long-term survival and success of a firm is profitability. It is profitability that attracts investors and the business is likely to survive for a long period of time (Farah & Nina, 2016).

Profit and profitability are used interchangeably, but in real sense, differences exist between the two. Profit is a final term and profitability is to some extent relative, however, both of them are mutually interdependent, having different and unique roles in business. Profit refers to the total income generated by a firm during a specific period of time while profitability refers to the operating efficiency of the enterprise. Profitability is the ability of the enterprise to make profit on sales; it is the ability of firms to acquire enough return on their capital and employees used in the business operation.

**Effectiveness**

Research has highlighted effectiveness as a vital dimension in improving performance. Consideration of effectiveness is therefore a vital dimension of productivity and failure to take into account can produce a false assessment of true performance. Taking into account effectiveness brings a qualitative dimension to the measurement of productivity. The problem is that some components of productivity are easier to measure than others. Hours worked or materials consumed are more easily quantified than the level of customer satisfaction, the quality of the product or the extent to which an organization has the right caliber of staff.

Hackman (2002) proposes that team effectiveness is measured by providing products or services that exceed customer expectations, growing organizational capabilities over time, and satisfying organization members. Hackman (2002) clarifies the five necessary conditions for team effectiveness as follows: A real team has these four features: a team task, clear boundaries, clearly assigned authority to make team decisions, and membership stability.
According to Hackman (2002) organizational effectiveness is measured by providing products or services that exceed customer expectations, growing team capabilities over time, and satisfying team member needs. An organization is most likely to be effective when it is an actual team rather than an organization in name only. Expert coaching refers to the availability of a suitable coach to help team member’s deal with potential issues or existing problems in order to accomplish team tasks. Expert coaching also helps team members take advantage of emerging opportunities and strengths to improve their coordination and collaboration. Effectiveness measures include: i.) Coverage: the number of customers you serve, ii.) Accomplishment: the overall outcome or achievement of a program, iii.) Quality: the proportion of service provided without error and iv.) Satisfaction: Customer satisfaction as measured by a predefined survey. Effectiveness refers to the extent to which the stated objectives of a business are met. Effectiveness measures how well the output of a program or service achieves the stated objective (desired outcomes) of that program or service. Common measure of the organizational performance is effectiveness (Bounds, 2005; Robbins, 2000).

**Competitive Aggressiveness and Business Performance**

Aigboje (2018) conducted a study on competitive aggressiveness and organizational profitability in Hospitality Firms in Port Harcourt. The population of this study was 1,764 from fifty (50) indigenous hotels in Port Harcourt metropolis. The study adopted the cross-sectional survey in its investigation of the variables and applied both descriptive and inferential statistical techniques. The hypothesis was tested using the Spearman Rank Order Correlation Coefficient. The result of the findings revealed that competitive aggressiveness has a significant positive relationship with organizational profitability of hotels in Port Harcourt.

Ferrier (2012) conducted a study on how competitive aggressiveness can relate to firm profit base. The result shows that competitive aggressiveness combined with top management behavior present a potential source for profit and enhances performance. Tang, Kacmar and Busenitz (2009), study proved that there exists a hierarchical relation between the components of EO, and he concluded that competitive aggressiveness was at the top which creates such an environment in an organization that the companies is more likely to be more innovative by such initiatives which can create differentiated value for the products and services of the organization, and also more risk taking by undertaking into unreliable activities to exploit external opportunities.

Ling and Venga (2010) carried out a study on competitive aggressiveness as a management behavioral and integration strategy in relation to profitability of firms in Croatian manufacturing industries. The result revealed positive relationship. Murray (2017) conducted a study on the relationship between competitive aggressiveness of firms in relation to profitability. Result indicated a significant difference across industries. Out of the four industries whose characteristics were tested, one of the industries reported positive relationship.

Stanbough, Lumpkin and Brigham (2009) conducted a study on the relationship between firm competitive aggressiveness on profitability using financial institution as a base. Result revealed that firms that displayed a high level of competitive aggressiveness tended to show gains in market share, in this case, for both loans and deposits, as the sample consisted of banks. Profitability was also positively affected by competitive aggressiveness for those banks in metropolitan areas.

According to Zahra and Covin (1995) the behaviour shown can assist the firm in competing with others in the market and thus enable the company to increase its business performance. This above discussion gives rise to the following hypotheses;

**H_{a1}:** Competitive aggressiveness has no positive significant relationship with profitability of event management firms in Port Harcourt.

**H_{a2}:** Competitive aggressiveness has no positive significant relationship with effectiveness of event management firms in Port Harcourt.
METHODOLOGY
The research design that was chosen for this study is descriptive research because its purpose is to capture an accurate representation of persons and businesses being studied. The research process is concerned with the level of one or more variables or the association between certain variables. The study involved the use of a questionnaire to collect information from leaders of event management firms in Port Harcourt regarding the influence of competitive aggressiveness on business performance. The target population for this study was the management staff (i.e. the owner, manager and supervisor) of a cross-section of listed event management firms in Port Harcourt. These are firms that have a registered location/office with adequate signage, advertise on the internet (either with their own website or a third party website) and have been in existence for at least ten years. Hence, only 22 registered event management firms in Port Harcourt were chosen. The owners, managers and supervisors of these listed firms were the target population. Evidence gathered from the ownership of the listed event management firms indicated that there are sixty-six leaders of these businesses under study. Based on the modest size of the population and since it is not more than 100, the total population has been adopted for the data collection process so no further sampling technique was required. The research instrument was therefore administered to all sixty-six leaders. The 5-point Likert scale is a technique that captures the responses of the variables in the study (Cooper & Schindler, 2003). The reliability of the research instrument was established through Cronbach’s Alpha. The table below indicates that the predictor and criterion variables had Cronbach’s alpha value that is greater than 0.7 which is accepted as a reliable measure. The data generated from the questionnaire was thus used in the analyses of the hypotheses. Hypotheses were tested using Pearson’s Product Moment Correlation Coefficient with the aid of Statistical Package for Social Sciences (SPSS) Version 20.0

<table>
<thead>
<tr>
<th>Item</th>
<th>No of item</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Aggressiveness</td>
<td>4</td>
<td>0.889</td>
</tr>
<tr>
<td>Profitability</td>
<td>4</td>
<td>0.779</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>4</td>
<td>0.904</td>
</tr>
</tbody>
</table>

Source: SPSS 20.0 Output (based on 2019 field survey data)

DATA ANALYSIS AND RESULTS
Bivariate Data Analyses
In this part, the secondary data analyses from the results of the hypotheses were presented with test conducted using the Pearson’s Product Moment Correlation Coefficient at 99% confidence level which was accepted as
a criteria for the probability for either accepting the null hypotheses at (p>0.01) or rejecting the null hypotheses formulated at (p< 0.01). In clear terms, the test covers the two hypotheses postulated for the study (H$_{01}$ to H$_{02}$) which were bivariate and stated in null form. According to Irving (2005) $r$ value that is less than 0.20 ($r < 0.20$) is the yardstick for accepting the null hypotheses and $r$ value that is greater than or equal to 0.20 ($r \geq 0.20$) is the yardstick for rejecting the null hypotheses.

**Test of Research Hypothesis One**

**H$_{01}$:** There is no significant relationship between competitive aggressiveness and profitability of event management firms in Port Harcourt.

**Table 2: Competitive Aggressiveness and Profitability**

<table>
<thead>
<tr>
<th></th>
<th>COMA5</th>
<th>PROF5</th>
</tr>
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<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.872**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.872**</td>
<td></td>
</tr>
<tr>
<td>PROF5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>62</td>
<td>62</td>
</tr>
</tbody>
</table>

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

**Source:** Survey data, 2019

The upshot in table 4.1 indicates that competitive aggressiveness correlate with profitability ($r = -0.872, p = 0.000<0.001$). This indicates a very high correlation indicating normal relationship. The relationship that exists within competitive aggressiveness and profitability is revealed to be significant at 0.01 significant levels. With reference to the yardstick specified by Irving (2005) for accepting either the null or alternative hypothesis, we thus reject the null hypothesis as the computed output is greater than 0.20, that is, $r = -0.872$ is greater than 0.20. Hence the alternative hypothesis is accepted. Meaning competitive aggressiveness can improve profitability of event management in Port Harcourt.

**Test of Research Hypothesis Two**

**H$_{02}$:** There is no significant relationship between competitive aggressiveness and effectiveness of event management firms in Port Harcourt.

**Table 3: Competitive Aggressiveness and Effectiveness**

<table>
<thead>
<tr>
<th></th>
<th>COMA5</th>
<th>EFFE5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
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<td>.902**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.902**</td>
<td></td>
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<td>EFFE5</td>
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<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>62</td>
<td>62</td>
</tr>
</tbody>
</table>

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

**Source:** Survey data, 2019

The upshot in table 4.15 expressions that Competitive Aggressiveness correlates with Effectiveness ($r = -0.902, p = 0.000<0.001$). This indicates a very high correlation indicating normal relationship. The relationship that exists within competitive aggressiveness and effectiveness is revealed to be significant at 0.01 significant levels. With reference to the yardstick specified by Irving (2005) for accepting either the null or alternative hypothesis, we thus reject the null hypothesis as the computed output is greater than 0.20, that
is, r = -0.902 is greater than 0.20. Hence the alternative hypothesis is accepted. Meaning competitive aggressiveness influences effectiveness of event management in Port Harcourt

DISCUSSION OF FINDINGS
The finding from testing hypothesis one, and two (competitive aggressiveness, profitability, effectiveness), concluded that there is a positive and very high correlation between competitive aggressiveness and profitability and effectiveness of event management firms in Port Harcourt. This finding corresponds with that of Aigboje (2018) who conducted a study on competitive aggressiveness and organizational profitability in Hospitality Firms in Port Harcourt and the findings revealed that competitive aggressiveness has a significant positive relationship with organizational profitability. Also, Ferrier (2012) conducted a study on how competitive aggressiveness can relate to firm profit base. The result shows that competitive aggressiveness combined with top management behavior present a potential source for profit and enhances performance. Huang & Tasai, 2010) argued that competitive aggressiveness relate to firm performance. Again the study in line with Murray (2017) findings he study the relationship between competitive aggressiveness of firms in relation to profitability and the result indicated a significant difference across industries.

CONCLUSION AND RECOMMENDATIONS
Based on the findings above, the researcher therefore concludes as follows: Competitive aggressiveness significantly influences profitability of event management firms in Port Harcourt. Competitive aggressiveness significantly influences effectiveness of event management firms in Port Harcourt. A number of practical yet elaborate recommendations were derived from the results and conclusions of this study:

1. Owner/managers of event management firms in Port Harcourt should be consistently aggressive in competing with direct and indirect competitors in their respective industries/areas of specialization. Competitive aggressiveness was identified as one the key drivers of business performance measures therefore highlighting its importance for the fate of a firm in such industries.
2. Event management entrepreneurs should be proactive to consistently study their customers and competitors to boost their capacity to exploit rapidly changing trends.
3. Owners/Managers of event management firms should cultivate an atmosphere of personal development in their firms so as to boost the overall competencies of their staff. This means not only leading by example but also supporting their staff to build up individual and collective capacity.

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