

MAKERERE



UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

**PRIOR KNOWLEDGE, ENTREPRENEURIAL ALERTNESS AND
INTERNATIONAL OPPORTUNITY EXPLOITATION IN UGANDA'S
DAIRY SECTOR**

BY

KEMBABAZI OWEN

REG: 2021/HD10/2785U

Email: owenkembabazi@gmail.com

Tel: +256 704 373356

**A DISSERTATION SUBMITTED TO MAKERERE UNIVERSITY
BUSINESS SCHOOL (FACULTY OF GRADUATE STUDIES AND
RESEARCH) IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE AWARD OF DEGREE OF MASTERS OF
INTERNATIONAL BUSINESS OF
MAKERERE UNIVERSITY**

PLAN A

OCTOBER, 2023

DECLARATION

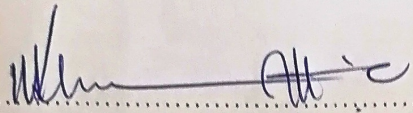
I, Kembabazi Owen do hereby declare that this dissertation is entirely my own composition and has not been submitted for any other research study for a degree or award in other university before. All references made to works of other persons have been duly acknowledged.

Signature: N. Owen Date: 23/10/2023

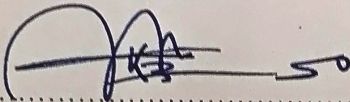
Ms. Owen Kembabazi

APPROVAL

This dissertation has been submitted for examination with the approval of the following supervisors;

SIGNATURE:  DATE: 23rd/10/2023

PROF. NGOMA MUHAMMED, PhD

SIGNATURE:  DATE: 23/10/2023

MR. MUHANGO CHRIS

DEDICATION

This dissertation is dedicated to my parents, my husband and my siblings for the overwhelming support, comfort, guidance and encouragement given to me during the Research process.

ACKNOWLEDGEMENT

I would like to take this opportunity to extend my gratitude to my academic supervisors Prof. Muhammed Ngoma and Mr Chris Muhango for their kind attention and contribution during the course of writing this dissertation.

I would also like to thank all the lecturers that have taught me throughout this Masters Programme.

Finally, yet importantly, I would like to thank my husband for understanding my consistent absence as well as his never-ending encouragement.

Lastly, I take the pleasure to recognize the invaluable and incredible support and assistance; rendered to me by my parents, brothers, sisters and friends may God reward you abundantly.

TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES	viii
LIST OF ACRONYMS/ ABBREVIATIONS	ix
ABSTRACT.....	x
CHAPTER ONE	1
1.0 Introduction.....	1
1.1 Background to the Study.....	1
1.2 Statement of the Problem.....	4
1.3 Purpose of the Study	5
1.4 Objectives to the Study	5
1.5 Research Questions	5
1.6 Scope of the Study	6
1.6.1 Content Scope	6
1.6.2 Geographical Scope	6
1.6.3 Time Scope	6
1.7 Significance of the Study	6
1.8 Conceptual Framework.....	7
CHAPTER TWO	9
LITERATURE REVIEW	9
2.0 Introduction.....	9
2.1 International Opportunity Exploitation.....	9
2.2 Relationship between Prior Knowledge and International Opportunity Exploitation	10

2.3 Relationship between Entrepreneurial Alertness and International Opportunity Exploitation.....	11
2.4 Relationship between Prior Knowledge and Entrepreneurial Alertness.....	12
2.5 Mediating Role of Entrepreneurial Alertness towards Prior Knowledge and International Opportunity Exploitation	12
CHAPTER THREE	15
RESEARCH METHODOLOGY.....	15
3.0 Introduction.....	15
3.1 Research Approach and Design	15
3.2 Study Population and Sampling Size	15
3.3 Unit of Analysis and Unit of Inquiry	16
3.4 Sampling Design and Procedure	16
3.5 Sources of Data	16
3.5.1 Primary Data	16
3.6 Data Collection Methods	17
3.7 Measurement of Variables	17
3.8 Validity of the Instrument and Reliability of the Data Collection Instruments.....	17
3.9 Data Processing and Analysis.....	18
3.10 Presentation of Results.....	19
3.11 Ethical Considerations	19
3.12 Limitations of Study	20
CHAPTER FOUR.....	21
DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF THE FINDINGS...21	
4.0 Introduction.....	21
4.1 Demographic Characteristics of Respondents	21
4.2 Factor analysis	24
4.3: Correlation analysis	28
4.4 The relationship between prior knowledge and International Opportunity Exploitation ..	30

4.4.1 The relationship between entrepreneurial alertness and international opportunity exploitation	30
4.4.2 The relationship between prior knowledge and entrepreneurial alertness.....	30
4.4.3 Regression analysis.....	31
4.5 Mediation test.....	32
4.5.1 Mediation Model.....	33
4.5.2 The mediating effect of Entrepreneurial Alertness on the relationship between prior knowledge and International Opportunity Exploitation.	34
CHAPTER FIVE	36
DISCUSSION, CONCLUSION AND RECOMMENDATIONS	36
5.0 Introduction.....	36
5.1 Discussion of findings.....	36
5.1.1 Entrepreneurial Alertness and International Opportunity Exploitation	36
5.1.2 Prior Knowledge and Entrepreneurial Alertness	37
5.1.3 Mediating Role of Entrepreneurial Alertness towards Prior Knowledge and International Opportunity Exploitation.....	38
5.2 Conclusion	39
5.3 Recommendations.....	39
5.4 Areas of further study	40
REFERENCES	42
Appendix III: Questionnaire	47

LIST OF TABLES

Table 3.1: Reliability Analysis	18
Table 4.1: Gender of respondents	21
Table 4.2: Period with organization.....	22
Table 4.3: Age bracket.....	22
Table 4.4: The level of academic qualification.....	23
Table 4.5: Background characteristics of the firms	24
Table 4.6: Factor structure of Prior Knowledge	25
Table 4.7: Factor structure of Entrepreneurial Alertness.....	26
Table 4.8: Factor structure of International Opportunity Exploitation	27
Table 4.9: Correlation Analysis	29
Table 4.10: Hierarchical Regression model for International Opportunity Exploitation	31

LIST OF ACRONYMS/ ABBREVIATIONS

AFCFTA	:	African Continental Free Trade Area
AGOA	:	African Growth and Opportunity Act
BOU	:	Bank of Uganda
COMESA	:	Common Market for Eastern and Southern Africa
COVID	:	Corona Virus Disease
CVI	:	Content Validity Index
EA	:	Entrepreneurial Alertness
EAC	:	East African Community
GDP	:	Gross Domestic Production
IOE	:	International Opportunity Exploitation
PK	:	Prior Knowledge
SMEs	:	Small Medium Enterprises
SPSS	:	Statistical Package for Social Scientists
UBOS	:	Uganda Bureau of Statistics
US	:	United States
USD	:	United States Dollar
WTO	:	World Trade Organization

ABSTRACT

The purpose of the study was to examine the relationship of prior knowledge and entrepreneurial alertness towards international opportunity exploitation. This study greatly focused on prior knowledge and entrepreneurial alertness as independent variables. On the other hand, international opportunity exploitation was the dependent variable. The study used a cross sectional research design. A sample size of 26 dairy exporting firms, of which two respondents that was the marketing manager and export manager were considered thus a total of 52 respondents from different exporting dairy firms in Uganda. A total of 52 respondents from 26 Ugandan dairy exporting firms, where two respondents, the marketing manager and export manager per firm were considered. The data was tested for reliability, analyzed using SPSS and results presented based on the study objectives. Correlational, regression and mediation analyses were carried out.

The results suggest that there was a significant positive relationship between Prior knowledge and International opportunity exploitation as well as entrepreneurial alertness and international opportunity exploitation. The mediation analysis revealed that entrepreneurial alertness has a full mediation effect on the relationship between prior knowledge and international opportunity exploitation. Therefore, this implies that any positive change on international opportunity exploitation is associated with a positive change in prior knowledge and entrepreneurial alertness. Therefore, the study recommended that dairy exporting firms should ensure that they always acquire up to date information in relation to market conditions and operations of international markets , include in their human resources structure a position of an executive whose is tasked with searching for new information as well as engaging relevant bodies such as the export Promotions Board and the Ministry of Trade to formulate and update policies to be able to capture the changing dynamics of the export market. It is also important for dairy exporting firms in Uganda to network among themselves such that they can be able to share information and also be able to take advantage of the opportunities on a much bigger scale in the international market.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This section covers the background of the study, statement of the problem, research objectives, research questions, purpose of the study, scope of the study and conceptual framework.

1.1 Background to the Study

In the era of globalization, regional integration, increased global competition and reduced trade barriers, several opportunities in international markets have opened for exploitation by interested firms (Tumushabe, 2020). International opportunity exploitation entails the number of new international customers, the number of new host country customers, the number of new international suppliers and the number of new host country suppliers (Ellis, 2011). Therefore, with the exploitation of international opportunities, firms will be able to grow, increase international expansion, growth and gain competitive advantage globally.

While the advantages of international opportunity exploitation are well documented, studies and several commentaries indicate that firms in developing countries have not been able or are slow at taking advantage of these opportunities. For instance, in Uganda, it was hoped that with the regional integration efforts notably the East African Community (EAC) with an estimated GDP of US\$163.4 billion (East African Community, 2023) and the recent African Continental Free Trade Area (AfCFTA) with an estimated GDP of US\$3.4 trillion, firms in the dairy sector would double their international expansion efforts to be able to tap in these huge market opportunities. Unfortunately, recent events suggest otherwise, as Uganda's milk exports have been subjected to rejections in countries like Kenya (Tumushabe, 2020) citing Uganda's milk being sold cheaply in Kenya thereby dominating Kenya's markets and yet

milk production in Kenya had also sharply increased and Rwanda already producing and processing enough milk, which means less demand for Uganda's milk (Tumushabe, 2020).

Apart from the reasons for rejections in Kenya and Rwanda, it has been generally noted that the dairy products in Uganda are characterized by substandard products and low quality among others. Moreover, Uganda exported 0.16 million tons of dairy products worth over US\$120.74 million in 2019. Besides, it remains unclear why most dairy exporting firms in Uganda seems to continuously target neighboring countries and yet statistics indicate that the most dairy importing country is China with 1.9 million tones (Agriculture and Horticulture Development Board, 2021). China was followed by the European Union comprising of countries; Germany, Netherlands, Italy, France and Belgium with over 1.04 million tones (Agriculture and Horticulture Development Board, 2021).

In spite of these opportunities exposed to Uganda, firms are not fully exploiting these international opportunities in the dairy sector. The dairy sector is an important sub-sector in Uganda because of its enormous potential in reducing rural poverty, development of the economy and promoting household food security. The global dairy market size was valued at US\$ 673.8 Billion in 2018, and it is expected to reach a value of US\$ 1032.7 Billion by 2024, registering a Cumulative annual growth rate of around 8% during 2019-2024. The global market is primarily dominated by the milk segment, followed by the butter and cheese segments. The yogurt and dairy desserts segments are expected to be the fastest-growing segments across the world (Dairy Development Authority, 2019). In Africa, although the leading dairy firms have adequate firm-level financial resources, and often have a large capacity in their processing plants and packaging capabilities, they often struggle with capacity utilization: the insufficient supply of quality milk implies that most dairy processors operate below capacity, leading to high cost-per-liter processing costs (Dairy Development Authority, 2019). More so covid-19 pandemic has presented challenges to international

opportunity exploitation evidenced in global supply chain disruptions, changes in international cooperation and networking and the need for new research approaches to navigate these uncertainties (Meyer 2020).

The above assertions seem to suggest that indeed, the dairy sector is still passive in as far as exploiting international market opportunities is concerned. Review of empirical studies suggests that international opportunity exploitation can be achieved by entrepreneurially alert firms. Accordingly, entrepreneurial alertness helps firms to increase an individual's state of alert to the environment and the information around him/her, thereby leading him/her to discover greater opportunities (Hajizadeh & Zali, 2016)

Besides, other studies indicate that having prior knowledge in international market plays a critical role in the exploitation of international opportunities. Indeed Tang & Murphy (2012), suggests that Prior knowledge increases the likelihood of opportunity exploitation in the market system and improves service and product development.

According to Eduardo (2020), Prior knowledge and entrepreneurial alertness have a positive impact on the exploitation of international opportunities. Prior knowledge refers to the sources of information developed from work experience, education or other means (Shepherd & DeTienne, 2005). Knowledge can be obtained through professional experience and education especially higher education. It can be also gained by conducting analysis of business environment and marketing research. In this way, an entrepreneur can obtain information and knowledge about market needs and the same about market opportunities.

According to Kirzner (1979), entrepreneurial alertness is the capacity of an individual to identify opportunities that others have not identified. Thus, entrepreneurial alertness has been recognized as a cognitive skill that increases an individual's state of alert to the environment and the information around him/her, thereby leading him/her to discover greater opportunities (Hajizadeh & Zali, 2016). According to Tang (2007), constructs to measure entrepreneurial

alertness are information accumulation (preparation), information transformation (incubation) and information selection (insight). Therefore, this study seeks to examine the contribution of prior knowledge and entrepreneurial alertness towards international opportunity exploitation.

1.2 Statement of the Problem

International opportunity exploitation enables firms to increase the number of new international customers, host country customers, international suppliers and host country suppliers. Emergence of regional integrations and globalization has provided an opportunity to firms to exploit foreign opportunities. In 2018, Uganda formally ratified the agreement establishing the African continental free trade area (AFCFTA) which is the second largest trade area after WTO. The country is also a member state to EAC, COMESA and the African Union Abuja agreement. Due to the terms of the regional blocs, members in these blocs pay significantly low tariff rates compared to non-members. It is also important to note that Uganda is eligible for AGOA and Generalized System of Preference trade benefits.

In spite of the above international opportunities exposed to Uganda, firms are not fully exploiting these international business opportunities in the dairy sector. The dairy market size globally was valued at US\$ 673.8 Billion in 2018, and it is expected to reach a value of US\$ 1032.7 Billion by 2024, registering a Cumulative annual growth rate of around 8% during 2019-2024. However, Uganda got only US\$ 205 million in 2020 according to records from the Dairy Development Authority which is quite low compared to the opportunities available globally thus showing poor exploitation of these international opportunities. This is further supported by UBOS (2019) that said Uganda produces 2.04 million tons of milk annually but still faces a challenge of inadequate market for milk. Therefore, Uganda dairy exporting firms need to exploit the international markets opportunities presented in regional blocs and countries like china, Germany, Netherlands, Italy and Belgium since they have the biggest

market for dairy products. This will eventually boost export revenues and competitive advantage amidst the many challenges indicated above.

As explained above, Uganda's international opportunities exploitation for dairy products is very low. Therefore, to boost international opportunity exploitation and eventually improve export performance in the dairy sector, prior knowledge and entrepreneurial alertness could help understand this behavior.

1.3 Purpose of the Study

The purpose of the study was to examine the relationship of prior knowledge and entrepreneurial alertness towards international opportunity exploitation.

1.4 Objectives to the Study

- i. To examine the relationship between prior knowledge and international opportunity exploitation.
- ii. To examine the relationship between entrepreneurial alertness and international opportunity exploitation.
- iii. To examine the relationship between prior knowledge and entrepreneurial alertness.
- iv. To examine the mediating effect of entrepreneurial alertness towards prior knowledge and international opportunity exploitation.

1.5 Research Questions

- i. What is the relationship between prior knowledge and international opportunity exploitation?
- ii. What is the relationship between entrepreneurial alertness and international opportunity exploitation?
- iii. What is the relationship between prior knowledge and entrepreneurial alertness?

- iv. What is the mediating role of entrepreneurial alertness towards prior knowledge and international opportunity exploitation?

1.6 Scope of the Study

1.6.1 Content Scope

The study covered prior knowledge and entrepreneurial alertness as the independent variables and international opportunity exploitation of dairy exporting firms in Uganda as the dependent variable. Prior knowledge is conceptualized as; business, institutional, internationalization and technical knowledge. Entrepreneurial alertness is conceptualized as; information accumulation, information transformation and information selection. International opportunity exploitation is conceptualized as; penetration of the host market country i.e. increasing the number of new international customers and international expansion to new markets.

1.6.2 Geographical Scope

The study was conducted within Uganda and data was collected from dairy exporting firms. And the Justification for choosing only exporting dairy firms is because there is unexploited global market opportunities for dairy products which Ugandan dairy exporters have not maximally utilized.

1.6.3 Time Scope

The study was conducted for a period of five months starting from the months of June 2023 to October 2023.

1.7 Significance of the Study

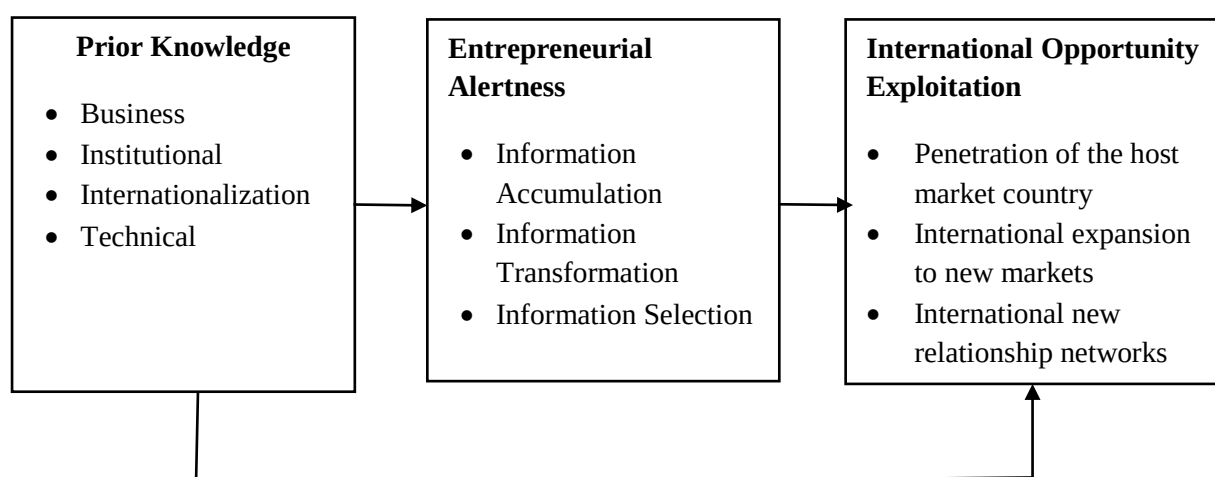
The study is significant to dairy exporting firms in Uganda. The business world today is undergoing rapid transformation and is operating in a highly turbulent and dynamic environment that calls for businesses to plan and anticipate any uncertain future by crafting appropriate and sustainable response strategies. Understanding factors like prior knowledge

and entrepreneurial alertness may boost exploitation of international opportunities that are now globally present for Ugandan dairy exporting firms.

The study is significant to the government. The study will facilitate policy formulation and implementation for all working toward improving the exploitation of these international market opportunities available to Ugandan dairy export products. Good exploitation of these international opportunities will help dairy exporting firms to gain competitive advantage, gain international expansion and growth which will provide more revenue to the government of Uganda. The revenue may enable the government provide services like medical, education etc. to its citizens

The study is significant to academicians. The relationship between prior knowledge, entrepreneurial alertness and international opportunity exploitation hasn't been exhaustively studied. Therefore, this study will as a result increase the body of Knowledge. The findings can be used as a source of reference to other researchers. In addition, it may stimulate further research in this area and as such form a basis of good background for further researcher.

1.8 Conceptual Framework



Source: *Tang and Murphy (2012); Kolb (1984); and Ellis (2011)*

As clearly indicated in the conceptual framework, the study has one dependent variable and one mediating variable. International opportunity exploitation is the dependent variable and is

measured through Penetration of the host market country i.e. increasing the number of new international customers, International expansion to new markets and international new relationship networks created (Ellis, 2011). Independent variable is prior knowledge and mediating variable is entrepreneurial alertness. Prior knowledge is measured by business knowledge institutional knowledge, international knowledge and technical knowledge (Tang and Murphy 2012). Entrepreneurial alertness is measured by information accumulation, information transformation and information selection (Kolb 1984)

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter covered literature review relating to the relationship between prior knowledge and international opportunity exploitation, entrepreneurial alertness and international opportunity exploitation, prior knowledge and entrepreneurial alertness and the mediating role of entrepreneurial alertness towards prior knowledge and international opportunity exploitation.

2.1 International Opportunity Exploitation

International business opportunity exploitation is the extent to which a firm exploits international business opportunities. This is explained in respect to creation of new customers and supplier relationships in other international markets as well as in the host country. Therefore, international business opportunity exploitation includes; the number of new international customers, the number of new host country customers, the number of new international suppliers and the number of new host country suppliers. According to Ellis (2011), international business opportunity exploitation further involves expansion to other markets, penetration of the host country market and different types of network relationships. Even though less research has been done in respect to international opportunity exploitation, more attention to is now directed to the concept (Muzychenko & Liesch, 2015). According to Ellis (2011), it is not until the opportunity actually leads to the formation of a new international exchange; an exchange with a new foreign intermediary or a new foreign customer that it can be said to be meaningful. Therefore, formation of exchange agreements with new partners in new foreign markets constitutes strong evidence of opportunity exploitation (Ellis, 2011). During internationalization, firms gradually and sequentially increase their exploitation of an opportunity (Johanson & Vahlne, 2009). An international

business opportunity enables development of new business with customers and suppliers in not only existing but new foreign markets.

2.2 Relationship between Prior Knowledge and International Opportunity Exploitation

Individuals with prior knowledge are more likely to focus on the important aspects of existing information and process it more efficiently, hence able to identify a greater number of international opportunities to exploit. Prior knowledge about customer problems also enables in identifying more opportunities with higher degrees of innovation. Therefore, Prior knowledge acts as a guide that helps an individual to spot the opportunities. According to (Tang & Murphy, 2012), Prior knowledge increases the likelihood of opportunity identification in the market system and improves service and product development.

Prior knowledge emphasizes the relevant aspects of existing information, and analyzes it in a more efficient way, which leads to the recognition and exploitation of a greater number of opportunities (Shepherd and DeTienne, 2005). Similarly, Hajizadeh and Zali (2016) demonstrate empirically that an individual's prior knowledge and opportunity recognition are positively related. This is also supported by Santos-Álvarez and García-Merino (2010), who say that prior international knowledge has a positive influence on the search for information, identification and exploitation of international opportunities.

According to Chandra (2009), prior knowledge can be acquired through: travel abroad, mastery of a foreign language, life and work experience, education abroad, previous work/commercial experience abroad, international social links, and that the possession of prior knowledge has a positive influence on the exploitation of international opportunities. In addition, Galdino (2019) and Kiss (2019) establish that market and internationalization knowledge help to exploit international opportunities and Lorenz (2018) clarify that knowledge acquired in the domestic market may also help when looking for international opportunities to exploit. Thus, recent studies suggest that research on prior knowledge is an

important avenue for future research in order to understand international opportunity exploitation (Tuomisalo, 2019). People can exploit international opportunities in international environments by exploiting their prior international knowledge (Butler, 2010). Hajizadeh and Zali (2015) found a positive relationship between prior knowledge and individual ability to recognize and exploit international opportunities. Therefore, it could be hypothesized that prior international knowledge influences international opportunity Exploitation.

2.3 Relationship between Entrepreneurial Alertness and International Opportunity

Exploitation

According to Kirzner (1973) alertness is the capacity of an individual to identify opportunities that others have not identified. Therefore, entrepreneurial alertness has been recognized as a cognitive skill that increases an individual's state of alert to the environment and the information around him/her, thereby leading him/her to discover greater opportunities (Hajizadeh & Zali, 2016). As an information processing and cognitive capacity, state of alertness allows entrepreneurs to obtain, associate, and infer information from diverse areas to help them to discover opportunities. Therefore, there are entrepreneurs who are always alert to recognize opportunities by continuously perusing the environment (Puhakka, 2011).

According to Tang (2012), entrepreneurial alertness increases the probability of identifying opportunities over people who are not in a state of alertness and this allows exploitation of these international opportunities. Indeed, being able to be alert benefits entrepreneurs as they can imagine various scenarios, allowing them to recognize and exploit international opportunities (Hajizadeh & Zali, 2016). This is further supported by George (2016) who states that entrepreneurial alertness is a prominent factor for international opportunity exploitation.

As explained by Tabares (2020), entrepreneurial alertness is a distinctive factor for international opportunity exploitation. Therefore, from this review it is clear that entrepreneurial alertness influences international opportunity exploitation.

2.4 Relationship between Prior Knowledge and Entrepreneurial Alertness

Knowledge has been recognized as a static concept that is activated and applied through the practical application of cognitive mechanisms (Corbett, 2005), which means that cognitions help individuals to benefit from the acquisition of knowledge (Hajizadeh & Zali, 2016).

According to Park, Sung & Im (2017), prior knowledge is a determinant of the level of entrepreneurial alertness. Individuals with a higher level of entrepreneurial alertness tend to recognize and exploit international opportunities by connecting distinct ideas and knowledge (Park, Sung & Im, 2017). Individuals with greater experience and knowledge will show a greater ability to sense, recognize and exploit international opportunities since they have experienced a similar situation and accumulated knowledge on different opportunities. Different knowledge and cognition factors can influence individuals' entrepreneurial alertness, and that could explain why a person might exploit international opportunities that others cannot (Par Sung & Im 2017).

Entrepreneurial alertness is a relevant cognitive characteristic of individuals which enables them to acquire, organize and process information and consequently their prior knowledge (Chang & Chen, 2020; Rezvani et al., 2019). Therefore, an individual with knowledge through education and experience will be more likely able to exploit international opportunities than other people.

2.5 Mediating Role of Entrepreneurial Alertness towards Prior Knowledge and International Opportunity Exploitation

Entrepreneurial alertness enables one to utilize information in an environment through abilities of scanning and searching, association and connection, evaluation and judgment to

reveal international opportunities to exploit (Campos, 2017). Therefore, entrepreneurial alertness can help getting vital market information such as technological change, government policies, and their implications, consumer preference, supply needs, or market demand, which would be instrumental in exploiting international opportunities unnoticed by others within an environment (Ma & Huang, 2019). In emerging economies characterized by weak institutions, having networking ties has been identified as a major source of information sharing and aiding international opportunity exploitation (Turkina, 2018). This helps an individual to gain tendency to scan and search for opportunities to exploit.

According to Tang (2010), the ability to scan and search for valuable information leads to international opportunity exploitation. Changes in the market environment presents varying information hints which require an individual to cognitively harmonize in a logical sequence (Urban, 2017). Without prior knowledge, one could not be in position to have valuable information and know how to utilize it for international opportunity exploitation (Webb, Irel, Hitt, Kistruck, & Tihanyi, 2011). Therefore, the ability to reveal international opportunities unnoticed by others would lead to international opportunities exploitation (Liguori, 2019). An individual would only exploit international opportunities in areas where they have an apparent knowledge of what represents an opportunity (Yu, 2001).

According to Zapkau (2014), Prior work experience has been found to positively influence international opportunity exploitation and this influence is boosted through the intervening variable of entrepreneurial alertness. Work experience enables individuals gather market information (Amato, Baron, Barbieri, Belanger, & Pierro, 2016) and the knowledge of market trends or industry dynamics would support an individual with the zeal to scan and search for suitable information that would lead to international opportunities exploitation (Hadjizadeh and Zali, 2015). This is because the individual is able to easily interact with several industry players. This interaction could develop into a network of social ties that would provide

additional information cues that would help to appraise information with utmost accuracy to lead to international opportunity exploitation (Xie & Lv, 2016).

According to Chetty (2018), individuals who possess the greatest entrepreneurial alertness use it in order to exploit and develop their previous knowledge, which allows them to identify and exploit new international opportunities. In fact, entrepreneurial alertness permits individuals to obtain more information associated to their previous knowledge and to use, organize, analyze and infer it and consequently to utilize it to exploit international opportunities (Tang, 2012).

Furthermore, according to George (2016) and Tabares (2020) prior knowledge and entrepreneurial alertness are both influencing factors of international opportunity exploitation. Therefore, entrepreneurial alertness renders greater efficiency from prior international knowledge when exploiting international opportunities (Kraus, 2017).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section covers the way the research was be carried out in line with the research design, the procedures of sampling, source of data, methods of data collection, data processing, analysis and presentation, and measurement of study variables.

3.1 Research Approach and Design

Cross-sectional research design was used. According to Saunders (2009), Cross-sectional research design is a type of observational study that analyses data collected from a population, or a representative subset, at a specific point in time. This research design is now gaining considerable attention for similar studies (Gnangnon, 2019). In this study, the researcher collected data within a period of five months from April 2023 to August 2023).The study also used quantitative research design because it allows you to systematically measure variables and test hypotheses.

3.2 Study Population and Sampling Size

According to Dairy Development Authority (2023), Uganda has a total of thirty (30) companies exporting milk products. To be able to get authentic data and accurate information, two respondents picked from an individual organization. Therefore, the population of the study was 30 exporting dairy firms. These firms are spread out across the country. Following the Krejcie and Morgan table of 1970 of sample size determination, the researcher selected 52 respondents as sample. Sample respondents were made possible by requesting both the marketing and export manager from each organization to fill in the questionnaire.

3.3 Unit of Analysis and Unit of Inquiry

The unit of analysis was dairy exporting firms in Uganda. The number of dairy exporting firms in Uganda is 30 (Dairy Development Authority, 2023). The unit of inquiry were export managers and marketing managers from Uganda dairy exporting firms. Therefore, each individual firm was a unit of analysis and each was presented by two staff (export manager and marketing manager) to provide information for the study and also collected data from at least two people who helped me to get authentic and accurate information from each firm selected. The chosen firm respondents deal in exportation on a day-to-day basis hence being in the best position to provide credible exportation information.

3.4 Sampling Design and Procedure

The study used simple random sampling to determine the sample. This is because the number of dairy exporters is known and simple random sampling offers all firms an equal chance of being selected. Each individual firm was presented by two questionnaires that were filled in by the export manager and marketing manager or a staff in the export section that can provide credible information for the study. The researcher presented an introductory letter from Makerere University Business School indicating that the study was purely for academic purposes.

3.5 Sources of Data

3.5.1 Primary Data

The primary data was collected directly from the respondents. Each dairy exporting firm was assigned two questionnaires and these questionnaires were filled in by both the export manager and marketing manager. This was executed through administering a self-

administered questionnaire. Respondents were guided through the questionnaires to ensure high level of accuracy in the data collection process.

3.6 Data Collection Methods

This study's data collection method involved the researcher preparing a set of questions pertaining to the field of enquiry. This is supported by Amin (2005), who states that a questionnaire is the single best tool in collecting quantitative data from a big number of respondents. The questionnaire was designed on a five-point Likert scale numbered from 1 to 5. This included; strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5). The questions were related to prior knowledge, entrepreneurial alertness and international opportunity exploitation in Uganda's dairy sector.

3.7 Measurement of Variables

International opportunity exploitation which was the dependent variable was operationalized using penetration of the host market country, international expansion to other markets and International new relationship networks created (Ellis, 2011).

Prior knowledge which was one of the independent variables was operationalized by business, institutional, international and technical knowledge.

Entrepreneurial alertness which was one of the independent variables was operationalized by information accumulation (preparation), information transformation (incubation) and information selection (insight) (Tang, 2007).

3.8 Validity of the Instrument and Reliability of the Data Collection Instruments

Validity refers to how well the results of a study measure what they are intended to measure (Sauro, 2014). Validity test of the instrument was done to check whether a questionnaire is

measuring what it purports to measure. The questionnaire was be subjected to expert face validity by experts in the field of study and as such, the items that were used all the variables are those that were deemed valid.

In order to assess that reliability of the instrument, a Cronbach alpha test was done and the results are as presented in **Table 3.1** below.

Table 3.1: Reliability Analysis

	Cronbach's Alpha	Number of Items
Prior knowledge	.815	12
Entrepreneurial Alertness	.781	9
International Opportunity Exploitation	.760	8

Cronbach's Alpha test for reliability of the research questionnaire was done and according to the results in **Table 3.1**, all items as they were presented as measures of all the study variables were found to be reliable since they had a coefficient above 0.70 threshold set by Nunnally and Nunnally (1978) and Field (2007).

3.9 Data Processing and Analysis

Quantitative data collected from the respondents was edited, coded, cleaned, and entered into computer software for analysis. Analysis was using the Statistical Package for Social Scientists (SPSS) a computer data analysis program for quantitative data generalization. The objectives of the study were answered by both descriptive and inferential statistics. Correlations analyses were used to analyze the relationship between prior knowledge and international opportunity exploitation, entrepreneurial alertness and international opportunity exploitation, prior knowledge and entrepreneurial alertness and regression analyses were also used to establish the effect of one independent variable against other variables and the

mediating role of entrepreneurial alertness towards prior knowledge and international opportunity exploitation.

3.10 Presentation of Results

Results of the study were presented using tables, graphs and charts. This aimed at giving a visual way to look at the data and see what happened and make interpretations. The other reason is because it's the best way to show the data to others. Correlations were used to show the relationships between entrepreneurial alertness and international opportunity exploitation and the relationship between prior knowledge and international opportunity exploitation and regression was used to test the effect and mediation.

Mediation tests were guided by Baron and Kenny (1986) who states that specific conditions are needed for a successful mediation. Therefore, the mediating effect of entrepreneurial alertness towards prior knowledge and international opportunity exploitation will be presented following conditions set by Baron and Kenny (1986).

3.11 Ethical Considerations

The study was conducted after obtaining official permission from MUBS and then proceeded to the dairy exporting firms. All efforts were made to ensure that no harm was inflicted upon voluntary participants and that all participants made the decision to participate after receiving full information as to what was required and what, if any, potential negative consequences may arise from such participation.

Those who chose not to participate were also given the same information with which to make their decision not to be involved and were not treated badly by not participating. For all information pieces received, confidentiality and anonymity was highly upheld and after analysis and compilation of results, the results were communicated to all the respondents.

3.12 Limitations of Study

Limitations of this study were attributed to the following.

- a) Respondents' unwillingness to disclose information. This created data collection problems, which might affect the reliability of the findings. This was mitigated through assuring respondents that the study was not an audit of exporting firms, but a purely academic endeavor which will not affect their careers at the respective exporting companies
- b) Some respondents were reluctant to give full information for fear of disclosing sensitive information. The researcher assured respondents of utmost confidentiality and showed them the introductory letter from Makerere University Business School.
- c) The researcher faced time constraints during the process of data collection. This was because the respondents had to spare time from their busy schedule to provide the relevant information needed for the study.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF THE FINDINGS

4.0 Introduction

This chapter presents the analysis of the data on the study variables. The analyses include percentage frequency distribution analysis, correlation analysis and regression analysis. The percentage frequency distribution analysis is intended to establish the state of the dairy exporting firms to ensure representation and authenticity of the data, while the correlation and regression analyses were conducted in order to establish the relationship between the study variables and as such be able to address the objectives of the study.

4.1 Demographic Characteristics of Respondents

Table 4.1: Gender of respondents

		Frequency	Percent	Cumulative Percent
	Male	30	57.7	57.7
	Female	22	42.3	100.0
	Total	52	100.0	

Source: primary data

From **Table 4.1** above, 30 (57.7%) of respondents were males and 22 (42.3%) were females out of the 52 respondents considered as the sample size. This reflects that most export managers and marketing managers are male. This is because of the nature of the dairy exporting business that is very fast-paced with a lot of work to get done like tracking shipments, making sure that customs regulations, certificates and documentation needs are met, setting shipment schedules and following up on deliveries at different ports to verify loading, departure and arrival times.

Table 4.2: Period with organization

		Frequency	Percent	Cumulative Percent
	1-3 Years	2	3.8	3.8
	4-6 Years	17	32.7	36.3
	7-9 Years	21	40.4	76.9
	10 & above	12	23.1	100.0
	Total	52	100.0	

Source: primary data

Table 4.2 above shows the number of years spent with the organization. 21 (40.4%) employees had spent 7-9 years in service, 17 (32.7%) employees had spent 4-6 years, while 12 (23.1%) had spent 10 years and above , and 2(3.8%) workers had spent 1-3 years in service which depicts the vast experience of the workers in the dairy exporting firms in Uganda.

Table 4.3: Age bracket

		Frequency	Percent	Cumulative Percent
	18-25 Years	1	1.9	1.9
	26-30 Years	6	11.5	13.4
	31-35 Years	15	28.8	42.2
	36-40 Years	19	36.5	78.7
	41-45 Years	6	11.5	90.2
	46-50 Years	2	3.8	94
	50& Above	3	5.8	100.0
	Total	52	100.0	

Source: primary data

The age distribution indicates that majority of the respondents were between the age of 36-40 years accounting for 19 (36.5%), followed by the 31-35 years accounting for 15 (28.8%), 41-45 years and 26-30 years giving 6 (11.5%), 46-50 years represented 2 (3.8%) and 18-25 years of age, bracket constituted 1 (1.9%). By the results above, it's evident that majority of the

respondents were between the age 36-40 with 36.5% and this implies that most dairy exporting firms have experienced people in management positions because of the nature of the business which is very dynamic and fast- paced hence requiring a person who can keep up with the dynamics of the industry.

Table 4.4: The level of academic qualification

		Frequency	Percent	Cumulative Percent
	No formal education	2	3.8	3.8
	Diploma	3	5.8	9.6
	Undergraduate Degree	26	50	59.3
	Postgraduate Degree	20	38.5	79.8
	Others	1	1.9	100.0
	Total	52	100.0	

Source: primary data

The findings on the level of education of the respondents indicated that the majority of the respondents 26 (50%) were degree holders, 20 (38.5%) were Post graduate holders, 3 (5.8%) Diploma holders, 2 (3.8%) hold no formal education, and 1(1.9%) were others. This proved that dairy exporting firms in Uganda had a diverse range of knowledgeable personnel who were capable of practicing the dairy export business operations and solving the various challenges that could crop up during their operations. Most of the respondents had formal education and therefore their information on the research questions was informed and could be used for analysis.

Table 4.5: Background characteristics of the firms

Variable	Category	Frequency (N = 26)	Percent
Main export markets destinations	East Africa	25	96.2
	Europe	4	15.3
	Others	3	11.5
Duration the company has exported dairy products	1 - 2 Years	1	3.8
	3 - 5 Years	4	15.4
	6 years and above	21	80.8

The results in **Table 4.5** show that most dairy firms had East Africa as their main export markets destinations 25 (96.2%), only 4(15.3%) firms were exporting milk to Europe and 3(11.5%) exporting to other export markets. This means that the level of international opportunity exploitation of other international markets for majority of the firms is low since they were majorly exporting to the East African markets and not maximally exploiting other markets.

On the aspect of the duration that the firms have spent exporting dairy products, majority 21 (80.8%) had been in the export business for 6 years and above , followed by 4(15.4%) for 3-5 years and 1(3.8%) which had spent 1-2 years in exporting dairy products. This duration is long enough for the units of inquiry to have experienced the matters under the study, which guarantees relevant responses.

4.2 Factor analysis

Factor analysis was carried out on the study variables for two major reasons. Firstly, to identify the factor structure of the main variables from their factors. Secondly to reduce the items measuring the variables to maintain only those that contain measure the variables considerably. Using the Varimax method for Principal components measurement, only those factors with an Eigen value greater than 1 were retained according to Guttman-Kaiser rule.

Table 4.6: Factor structure of Prior Knowledge

Code	Label	Technical Knowledge	Institutional Knowledge	Business Knowledge	International Knowledge
TK1	The organization has a mentorship program on knowledge acquisition and use	.903			
TK3	Employees are trained on technical issues like pricing and exportation among others	.848			
TK2	The organization has a software that captures market information like demand, sales, forecasts, etc.	.800			
IK2	The organization often comes up with reports in relation to export markets like sales		.911		
IK3	Employees have been with the organization for more than five years		.880		
IK1	The organization has a system of collecting information like customer demands etc.		.740		
BE2	Our company usually attends business events			.907	
BE1	Our company hires employees from the business school			.868	
BE3	Our company engages consultants in capturing business information like markets			.589	
INK2	The company has a strategic alliance with a foreign organization				.888
INK1	The company has a branch in the foreign market				.794
<i>Eigen value</i>		2.51	2.307	2.046	1.854
<i>Variance (%)</i>		22.82	20.976	18.599	16.856
<i>Cummulative Variance (%)</i>		22.82	43.796	62.395	79.251

The factor analysis of Prior Knowledge led to the extraction of all the four factors as portrayed in the conceptual framework. Of the four constructs of Prior Knowledge that were

found to be significant, Technical Knowledge was the most significant, explaining 22.8%, followed by Institutional Knowledge, Business Knowledge and International Knowledge which explained 20.9%, 19.0% and 16.9% respectively on the measurement of Prior Knowledge.

Further still the results in **Table 4.6** summarize the items that under scored each of the constructs in their order of significance in as far as their corresponding factors are concerned. The magnitude or level of importance of each item is illustrated by the factor loadings, where a higher value indicates a higher magnitude.

Table 4.7: Factor structure of Entrepreneurial Alertness

Code	Label	Information acquisition	Information Selection	Information Transformation
IA2	The company often interacts with other companies to acquire new information	.934		
IA3	Company employees are always actively looking for new information	.926		
IA1	The company always keeps an eye out for new business ideas when looking for information	.855		
IS1	Company employees have frequent interactions with others to acquire new information		.905	
IS2	When the company comes across several opportunities, it's able to select the good ones		.856	
IS3	The company can distinguish between profitable and not-so-profitable opportunities		.839	
IT3	The company can see associations between seemingly unrelated information			.835
IT2	The company usually sees connections between information from various seemingly unconnected fields of knowledge.			.829

<i>Eigen value</i>	2.797	2.658	1.778
<i>Variance (%)</i>	34.967	33.221	22.229
<i>Cummulative Variance (%)</i>	34.967	68.188	90.417

The factor analysis of entrepreneurial alertness led to the extraction of all the three factors as depicted in the conceptual framework. Of the three significant factors of Entrepreneurial Alertness, the factor; Information acquisition was the most important explaining 34.9% followed by Information Selection and Information Transformation which contributes 33.2% and 22.2% respectively. The salient features underscoring each of the factors in their order of significance as shown by the magnitude of their factor loadings are summarized in **Table 4.7** above.

Table 4.8: Factor structure of International Opportunity Exploitation

Code	Label	Relationship Created Penetration of host market country expansion strategy International Market
IOER1	The company has increased the number of partners in the foreign market	.956
IOER2	The company has an entrepreneurial team to pursue a business opportunity	.934
IOER3	The company has approached investors to acquire funding for a business opportunity	.802
IOPE3	The company export profits have increased for the past three years	.942
IOPE2	The company's export sales volumes have increased for the past three years	.919
IOPE1	The number of customers has increased in the foreign market for the past three years	.802
IOEE1	The number of foreign markets has increased for the past	.920

	three years			
IOEE2	The company has increased presence in existing foreign markets			.913
<i>Eigen value</i>		2.471	2.45	1.835
<i>Variance (%)</i>		30.89	30.631	22.939
<i>Cummulative Variance (%)</i>		30.89	61.521	84.46

Of the three constructs of International Opportunity Exploitation as depicted in the conceptual framework, International New Relationship Created was the most significant explaining 30.9% measurement, followed by Penetration of host market country, and lastly Expansion of New International Market which contribute 30.6% and 22.9% respectively. All of the three constructs explained approximately 84.5%. Further still the results in the table summarize the indicators that underscored each of the constructs in their order of significance in as far as their corresponding factors are concerned. The level of importance of each item is illustrated by the factor loadings, where a higher value indicates a higher magnitude.

4.3: Correlation analysis

The study undertook a correlation analysis in order to establish the relationship between the variables in order to answer the objectives of the study. The correlation analysis was also done to rule out the possibility of multicollinearity between the independent variables before running a multiple regression analysis.

Table 4.9: Correlation Analysis

	1	2	3	4	5	6	7	8	9	10	11	12	13
Technical Knowledge (1)	1												
Institutional Knowledge (2)	.370**	1											
Business Knowledge (3)	.058	.159	1										
International Knowledge (4)	.225	.355**	.451**	1									
Prior Knowledge (5)	.690**	.731**	.580**	.661**	1								
Information Acquisition (6)	.405**	.818**	.106	.491**	.684**	1							
Information Selection (7)	.108	.556**	.294*	.383**	.484**	.517**	1						
Information Transformation (8)	.068	.690**	.330*	.337*	.524**	.556**	.665**	1					
Entrepreneurial Alertness (9)	.291*	.842**	.244	.501**	.696**	.901**	.803**	.804**	1				
International New Relationships Created (10)	.616**	.417**	.099	.094	.517**	.389**	.346*	.238	.403**	1			
Penetration of Host Market Country (11)	.060	.200	.061	.214	.185	.388**	.051	.048	.257	.013	1		
Expansion of New International Markets (12)	.336*	.312*	.374**	.489**	.543**	.541**	.403**	.422**	.559**	.200	.292*	1	
International Opportunity Exploitation (13)	.357**	.413**	.232	.409**	.522**	.636**	.337*	.306*	.563**	.437**	.820**	.673**	1

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

**. Correlation is significant at the 0.05 level (2-tailed).*

4.4 The relationship between prior knowledge and International Opportunity

Exploitation

Findings in **Table 4.9** shows that there is a significant positive relationship between prior knowledge and international opportunity exploitation ($r = .522$, $P \leq .01$). This result is true for some of the components of prior knowledge and international opportunity exploitation, however the most prominent relationship was observed on Technical knowledge and international New Relationships created ($r = .616$, $P \leq .01$). This is an indication that the level of International Opportunity Exploitation corresponds directly with the level of prior knowledge. In other words, high levels of International Opportunity Exploitation are associated with high levels of Prior knowledge and vice versa.

4.4.1 The relationship between entrepreneurial alertness and international opportunity exploitation

Findings in **Table 4.9** revealed that there is a significant positive relationship between entrepreneurial alertness and international opportunity exploitation ($r = .563$, $P \leq .01$). The result held true for all the dimensions of entrepreneurial alertness and international opportunity. Notably, the relationship was strongest with the dimension; International New Relationships created and Information Acquisition ($r = .389$, $P \leq .01$). This is an indication that the level of entrepreneurial alertness and international opportunity by the dairy exporting firms in Uganda corresponds directly with their entrepreneurial alertness in terms of; International New Relationships Created and Information Acquisition.

4.4.2 The relationship between prior knowledge and entrepreneurial alertness

The results in in table 4:3.1 also showed that there is a significant positive relationship between prior knowledge and entrepreneurial alertness ($r = .696$, $P \leq .01$). Further it was revealed that there is a significant positive relationship between some dimensions of both prior knowledge and entrepreneurial alertness, whereas there was no relationship between

some pairs of dimension. However the strongest relationship was found to exist on Information Acquisition and Institutional Knowledge ($r = .818, P \leq .01$).

This implies that prior knowledge is directly associated with the entrepreneurial alertness. In other words, a high level of prior knowledge among the dairy exporting firms in Uganda is associated with a high level of entrepreneurial alertness.

4.4.3 Regression analysis

The regression analysis was employed to determine if either or both of Prior Knowledge or Entrepreneurial Alertness have a significant effect on International Opportunity Exploitation. Generally; to establish if the variations in International Opportunity Exploitation of the dairy exporting firms in Uganda is explained by the changes in their Prior Knowledge or Entrepreneurial

Table 4.10: Hierarchical Regression model for International Opportunity Exploitation

	Model 1		Model 2	
	Beta	Sig.	Beta	Sig.
(Constant)	.991	.118	.773	.204
Prior Knowledge	.522	.000	.252	.122
Entrepreneurial Alertness			.387	.020
F	18.694		13.155	
Sig. F	.000 ^b		.000 ^c	
R	52.2%		59.1%	
R ²	27.2%		34.9%	
R ² change	27.2%		7.7%	
Adjusted R ²	25.8%		32.3%	

Source: Primary Data

The model in **Table 4.10**, attempts to establish if prior knowledge and Entrepreneurial Alertness could predict International Opportunity Exploitation.

Model 1 included prior knowledge and the results show that when International Opportunity Exploitation is regressed on prior knowledge, the effect is found to be significant ($\beta = .522$, $P < .01$), with R square of 27.2% and a significant F Statistic of 18.694. This implies that the changes in prior knowledge account for 27.2% variation in International Opportunity Exploitation.

Model 2 involved entering the mediating variable, that is; Entrepreneurial Alertness on top of the predictor variable in model 1. On introducing Entrepreneurial Alertness into model 2 prior knowledge ($\beta = .252$, $P > .05$) became non-significant at the 5% level but also had its beta value reducing from .522 to .252. However Entrepreneurial Alertness ($\beta = .387$, $P < .01$) was found to have significant positive effect on the International Opportunity Exploitation.

This means that, the higher the level of Entrepreneurial Alertness of the dairy exporting firms in Uganda, the higher their level of International Opportunity Exploitation. The non-significant effect in model 2 for prior knowledge could signify, a possibility of full mediation relationship.

Model 2 further shows that Entrepreneurial Alertness raised the predictive power of the model for International Opportunity Exploitation by 7.7% (R Square Change = 0.077) and the model was also found to be significant (F change = 5.816, $p < 0.01$), implying that Entrepreneurial Alertness significantly contributed to the variation.

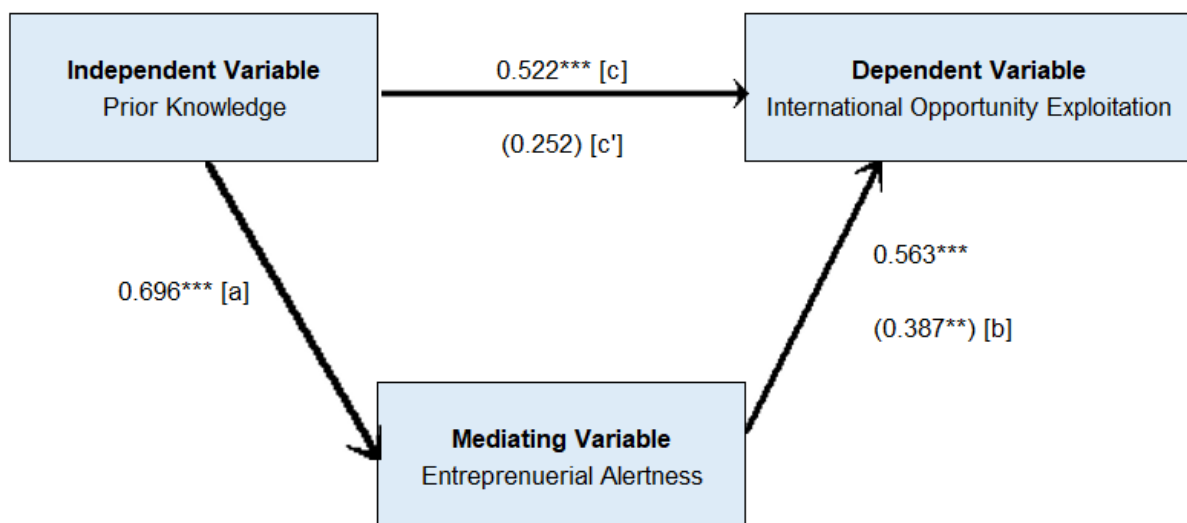
4.5 Mediation test

The following section presents the medgraph for the test of mediation of Entrepreneurial Alertness on the relationship between Prior Knowledge of the exporting firm on their performance at exploiting international opportunities. The mediation test is intended to establish if the prior knowledge of the dairy exporting firms in Uganda influences their

Entrepreneurial Alertness, which in turn translates into International Opportunity Exploitation.

4.5.1 Mediation Model

Type of mediation	Significant	
Sobel z-value	2.277031	$p = 0.022784$
Effective Size measures		
<u>Standardised Coefficients</u>		
Total:	0.522	
Direct:	0.252	
Indirect:	0.269	
ratio	0.516	



4.5.2 The mediating effect of Entrepreneurial Alertness on the relationship between prior knowledge and International Opportunity Exploitation.

The test for the mediation of Entrepreneurial Alertness on the effect of prior knowledge on International Opportunity Exploitation of the dairy exporting firms in Uganda was conducted following four steps.

In the first step, a regression analysis was performed to establish if the independent variables had an effect on the dependent variable. The results in the medgraph in Figure 4:5.1 shows that prior knowledge had a significant positive effect on International Opportunity Exploitation ($\beta = .522, p < .01$).

In step two, a regression of the mediating variable on the independent variable was performed to establish if there is a significant relationship between them.

The results in Figure 4:5.1 shows that prior knowledge had a significant positive effect on Entrepreneurial Alertness ($\beta = .696, p < .01$).

In the third step, a regression analysis involving the dependent variable and both the independent variable and mediating variable was conducted. The results in figure 4:5.1 show that the beta statistic for prior knowledge ($\beta = .252, p > .05$) reduced from .522 to 0.252 and was also not significant at the 5% level, while the beta statistic for Entrepreneurial Alertness ($\beta = .387, p < .01$) was significant at the 1% level.

In the final step, the Sobel test for mediation was performed and the results show that the Sobel test statistic ($Z = 2.277, P = 0.0001$) was found to be significant, which confirms that Entrepreneurial Alertness has a full mediation effect on the effect of prior knowledge on International Opportunity Exploitation. Furthermore, the ratio of the indirect effect to total

effect was found to be 0.516, implying that 51.63% of the effect of prior knowledge on International Opportunity Exploitation was through Entrepreneurial Alertness.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion of the study in respect of the findings of the current study and the findings of other scholars in line with the objectives of this study. The chapter is structured into three other sections of discussion of findings, conclusion, recommendations and suggestion of areas for future research projects. These sections are further expounded below.

5.1 Discussion of findings

This research was carried out basing on four major objectives. Findings in relation to these objectives were also obtained. In this section, these findings are further discussed to establish their significance regarding the overall contribution to the body of knowledge. This discussion is structured according to the objectives of the study, with particular emphasis on the key findings that arose from the analysis data.

5.1.1 Entrepreneurial Alertness and International Opportunity Exploitation

The findings of this study revealed that there is a positive relationship between Entrepreneurial Alertness of the dairy exporting firms in Uganda and their International Opportunity Exploitation. This means that when the level of Entrepreneurial Alertness of the dairy exporting firms in Uganda increases, it leads to an increase in their level of International Opportunity Exploitation. This finding is in line with findings from studies by Tabares (2020) and George (2016) who asserted that entrepreneurial alertness is crucial for international opportunity exploitation. Furthermore, Hajizadeh and Zali, (2016) posited that entrepreneurial alertness as a cognitive skill enhances which the state of mindfulness to the environment and the available information, thereby leading to the discovery opportunities and thus exploiting them. In the same vein, according to a study by Tang (2012) revealed that

entrepreneurial alertness not only afford awareness of the available opportunities but also boosts the chances of identifying exploitable opportunities and hence leading to a higher likelihood of taking advantage of the information available in regard to the identified opportunities to be able to exploit, and this is incumbent on the realm in which the opportunities present. Kirzner (2009) suggested further that entrepreneurial alertness leads to opportunity recognition, since alert entrepreneurs have the ability to exploit information asymmetries and as such able to identify entrepreneurial opportunities compared to entrepreneurs who are less vigilant. Furthermore; according to Puhakka, (2011) urges that entrepreneurs who are always alert are able to recognize opportunities by continuously perusing the environment.

5.1.2 Prior Knowledge and Entrepreneurial Alertness

The findings of the study also revealed that there is a significant positive relationship between Prior Knowledge and Entrepreneurial Alertness among dairy exporting firms in Uganda. This means that the more prior knowledge in terms of business, institutional and international knowledge the dairy exporting firms in Uganda possess, the higher the level of their entrepreneurial alertness is likely to be. The finding is in tandem with studies by Park, Sung and Im (2017) who posited that entrepreneurial alertness is preceded by prior knowledge, mentioning that since entrepreneurially alertness helps in connecting distinct ideas and knowledge, it suffices to conclude that the higher the level of entrepreneurial alertness exhibited by individuals, the more they tend to recognize and exploit international opportunities (Park, Sung & Im, 2017).

The viewpoint of Park, Sung and Im, (2017) rhymes with the argument of Corbett, (2005) that knowledge is a static concept that is activated and applied through the practical application of cognitive mechanisms, as such cognitions help individuals to manifest the

benefits that accrue from the acquisition of knowledge (Hajizadeh & Zali, 2016). Furthermore; various studies

Chang & Chen, 2020; Rezvani et al., 2019) indicted that prior knowledge influences Entrepreneurial alertness in the sense that Entrepreneurial alertness forms the cognitive characteristic of individuals and this facilitates the acquisition, organization and process information. This then translates into exploitation of opportunities, including international ones.

5.1.3 Mediating Role of Entrepreneurial Alertness towards Prior Knowledge and International Opportunity Exploitation

The findings of the study show that Entrepreneurial Alertness fully mediates the relationship between Prior Knowledge and International Opportunity Exploitation of the dairy exporting firms in Uganda. This is an indication that the effect of prior knowledge on International Opportunity Exploitation is both direct and also indirect through Entrepreneurial Alertness. The findings are in line with the revelation of Campos (2017) who posited that entrepreneurial alertness is enabled by utilizing information by taking advantage of prior information which can be scanned, searched and evaluated in order to reveal international opportunities that could be exploited. Similarly, according to Zapkau (2014), entrepreneurial alertness is indeed a factor regarding the relationship between prior work experience, as a dimension of prior information and international opportunity exploitation. Also work experience according to several studies enables individuals gather market information (Amato, Baron, Barbieri, Belanger, & Pierro, 2016) which information is key for entrepreneurial alertness, which would be instrumental in exploiting international opportunities unnoticed by others within an environment (Ma & Huang, 2019). Further, in the standpoint of Liguori (2019), the ability of an individual to reveal international opportunities that are not unnoticed by others would potentially lead to exploitation of these international

opportunities. Furthermore, George (2016) and Tabares (2020) noted that prior knowledge as well as entrepreneurial alertness influence international opportunity exploitation. As such entrepreneurial alertness renders greater efficiency from prior international knowledge when exploiting international opportunities (Kraus, 2017).

5.2 Conclusion

The discussion of findings has revealed that the findings obtained from this study have been found to align with the existing literature and also contribute to the body of knowledge especially regarding presenting the context of international opportunity exploitation in Sub-Saharan Africa.

First and foremost, it has been established that there is a relationship between Entrepreneurial Alertness and international opportunity exploitation in dairy exporting firms in Uganda. It's therefore evident that once these firms are able to create new international relationships, are able to penetrate the market of the host country and also expand new International markets, then they would be able to exploit the international opportunities. Secondly, prior knowledge was also found to significantly influence Entrepreneurial Alertness, this is to imply that once the dairy exporting firms are in position to acquire, select, scan and transform this information, they are bound to response entrepreneurial alertness by way of having a firm grip in the international market arena. The entrepreneurial alertness thus gained would then translate into advantages for exploitation of international opportunities.

5.3 Recommendations

Basing on the conclusion made, the following recommendations have been suggested;

- i) The dairy exporting firms should ensure that they always acquire up to date information in relation to market conditions and operations of international markets. This is beneficial in the sense that it helps the dairy exporting firms to establish if there exist opportunities that they can exploit.

- ii) The dairy exporting firms should also include in their human resources structure a position of an executive whose is tasked with searching for new information, select it to ensure relevance to the dairy export business and relation it to management to aid decision making.
- iii) There is need for the dairy exporting firms to engage relevant bodies such as the export Promotions Board and the Ministry of Trade to formulate and update policies to be able to capture the changing dynamics of the export market. This is would go a long way to remove the bottlenecks to dairy exports and as such create an environment where dairy exporting firms can easily exploit opportunities in the international markets.
- iv) It is important for dairy exporting firms in Uganda to network among themselves such that they can be able to share information and also be able to take advantage of the opportunities on a much bigger scale in the international market, which they would otherwise not attempt at an individual firm level due to any inadequacy, which could be in terms of supplies, technical capacity or even policy regarding the scale of operations.

5.4 Areas of further study

Following the findings of the study, it suffices to note that there are certain variables which did not feature in the explanation of the determinants of the capacity of dairy firms to exploit international opportunities. As such, it is recommended that further research be conducted in the following areas;

- i) The influence of the regulatory framework of the export promotions institutions on the International Opportunity exploitation of dairy exporting firms in Uganda.

- ii) A qualitative inquiry into the moderating role of Entrepreneurial Alertness on the relationship between prior knowledge and International opportunity exploitation of dairy exporting firms in Uganda.

REFERENCES

- Amato, C., Baron, R. A., Barbieri, B., Belanger, J., & Pierro, A. (2016). Regulatory modes and entrepreneurship : The mediational role of alertness in small business success. *Journal of Small Business Management*, 55(1), 27-42. <https://doi.org/10.1111/jsbm.12255>
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51, 1173-1182
- Butler, J.E., Doktor, R., & Lins, F.A. (2010). Linking international entrepreneurship to uncertainty, opportunity discovery, and cognition. *Journal of International Entrepreneurship*, 8(2), 121-134. <https://doi.org/10.1007/s10843-010-0054-x>
- Campos, H. (2017). Impact of entrepreneurial passion on entrepreneurial orientation with mediating role of entrepreneurial alertness for technology-based firms in Mexico. *Journal of Small Business & Enterprise Development*, 24(2), 1-33. <https://doi.org/10.1108/JSBED-10-2016-016>
- Chandra, Y., Styles, C., & Wilkinson, I. (2009). The recognition of first time international entrepreneurial opportunities: Evidence from firms in knowledge-based industries. *International Marketing Review*, 26(1), 30-61. <https://doi.org/10.1108/026513309109331>
- Chang, Y.Y., & Chen, M.H. (2020). Creative entrepreneurs' creativity, opportunity recognition, and career success: Is resource availability a double-edged sword? *European Management Journal*. In press. <https://doi.org/10.1016/j.emj.2020.03.004>
- Chetty, S., Karami, M., & Martín, O.M. (2018). Opportunity Discovery and Creation as a Duality: Evidence from Small Firms' Foreign Market Entries. *Journal of International Marketing*, 26(3), 70- 93. <https://doi.org/10.1509/jim.17.0005>
- Corbett, A. C. (2005). Experiential Learning within the Process of Opportunity Identification and Exploitation. *Entrepreneurship Theory and Practice*, 29(4), 473-491. <https://doi.org/10.1111/j.1540-6520.2005.00094.x>
- Dairy Development Authority Annual Performance Report FY 2019/20

- Dairy Development Authority (DDA). 2020. Dairy Development Authority Annual Performance Report FY 2019/20. Available from: <https://dda.go.ug/assets/files/ANNUAL-PERFORMANCEREPORTFY2019-20.pdf> [Accessed 23 April, 2022]
- Ecel, A., and Ecel, R.A. (2013). The structure and competitiveness of Uganda's dairy exports
- Eduardo Terán-Yépez, Andrea Guerrero-Mora (2020). Determining factors of international opportunity recognition: A conceptual approach
- Ellis, P. D. (2011). Social ties and international entrepreneurship: Opportunities and constraints affecting firm internationalization. *Journal of International Business Studies*, 42, 99–127
- Galdino, K.M., Rezende, S.F.L., & Lamont, B.T. (2019). Market and internationalization knowledge in entrepreneurial internationalization processes. *International Journal of Entrepreneurial Behaviour and Research*, 25(7), 1580-1600. <https://doi.org/10.1108/IJEBr-11-2018-0>
- George, M.N., Parida, V., Lahti, T., & Wincent, J. (2016). A systematic literature review of entrepreneurial opportunity recognition: insights on influencing factors. *International Entrepreneurship and Management Journal*, 12(2), 309-350. <https://doi.org/10.1007/s11365-014-0347-y>
- Hajizadeh, Ali. & Zali, Mohammadreza. 2016. Prior Knowledge, Cognitive Characteristics and Opportunity Recognition. *International Journal of Entrepreneurial Behavior & Research* 22(1): 63-83
- Johanson, J., & Vahlne, J.-E. (2009). The Uppsala internationalization process revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40, 1411–1431
- Kiss, A.N., Danis, W.M., Nair, S., & Suddaby, R. (2019). Accidental tourists? A cognitive exploration of serendipitous internationalisation. *International Small Business Journal: Researching Entrepreneurship*, 65(3), 1-25. <https://doi.org/10.1177/0266242619884032>

- Kirzner, I. M. (2009). The alert and creative entrepreneur: a clarification. *Small Bus. Econ.* 32, 145–152. doi: 10.1007/s11187-008-9153-7
- Kirzner, I.M. (1973). *Competition and Entrepreneurship*. University of Chicago Press
- Kirzner, I.M. (1979), *Perception, Opportunity, and Profit*, University of Chicago Press, Chicago, IL
- Kolb, D. A. 1984. *Experiential Learning: Experience as the Source of Learning and Development*. Englewood Cliffs, New Jersey: Prentice-Hall
- Kraus, S., Niemand, T., Angelsberger, M., Mas-Tur, A., & Roig-Tierno, N. (2017). Antecedents of International Opportunity Recognition in Born Global Firms. *Journal of Promotion Manage-ment*, 23(3), 386-406. <https://doi.org/10.1080/10496491.2017.1294869>
- Liguori, E., Winkler, C., Vanevenhoven, J., Winkel, D., & James, M. (2019) Entrepreneurship as a career choice: Intentions, attitudes, & outcome expectations. *Journal of Small Business & Entrepreneurship*, 32(4), 311-331 <https://doi.org/10.1080/08276331.2019.1600857>
- Lorenz, M. P., Ramsey, J. R., & Richey, R. G. (2018). Expatriates' international opportunity recognition and innovativeness: The role of metacognitive and cognitive cultural intelligence. *Journal of World Business*, 53(2), 222-236. <https://doi.org/10.1016/j.jwb.2017.11.004>
- Ma, R., & Huang, Y. (2019). An opportunity-based explanation of entrepreneurial intention : Evidence from global sourcing suppliers in China intention: evidence from global sourcing suppliers. *Journal of Small Business & Entrepreneurship*, 32(4), 379-400. <https://doi.org/10.1080/08276331.2019.1641661>
- Mehran Rezvani, Mahdi Lashgari, Jahangir Yadolahi Farsi (2018). International entrepreneurial alertness in opportunity discovery for market entry
- Muzychenko, O., & Liesch, P. W. (2015). International opportunity identification in the internationalisation of the firm. *Journal of World Business*, 50, 704–717

- Park, Joo.Y., Sung, Chang Soo., & Im, Il. 2017. Does Social Media Use Influence Entrepreneurial Opportunity/ A Review of its Moderating Role. *Sustainability Journal*, 2017, 9, 1593
- Puhakka, V. (2011). Developing a Creative-Cognitive Model of Entrepreneurial Alertness to Business Opportunities. *Journal of Management and Strategy*, 2(4). <https://doi.org/10.5430/jms.v2n4p85>
- Rezvani, M., Lashgari, M., & Yadolahi Farsi, J. (2019). International entrepreneurial alertness in opportunity discovery for market entry. *Journal of Research in Marketing and Entrepreneurship*, 21(2), 76-102. <https://doi.org/10.1108/JRME-01-2018-0003>
- Santos-Álvarez, V., & García-Merino, T. (2010). The role of the entrepreneur in identifying international expansion as a strategic opportunity. *International Journal of Information Management*, 30(6), 512-520. <https://doi.org/10.1016/j.ijinfomgt.2010.03.008>
- Shepherd, D.A. & DeTienne, D.R. 2005. Prior knowledge, potential financial reward, and opportunity identification. *Entrepreneurship Theory and Practice* 29(1): 91-112
- Tabares, A., Chandra, Y., Alvarez, C., & Escobar-Sierra, M. (2020). Opportunity-related behaviors in international entrepreneurship research: a multilevel analysis of antecedents, processes, and outcomes. *International Entrepreneurship and Management Journal*. In press. <https://doi.org/10.1007/s11365-020-00636-3>
- Tang, J., Kacmar, K. M., & Busenitz, L. (2012). Entrepreneurial alertness in the pursuit of new opportunities. *Journal of Business Venturing*, 27(1), 77-94. <https://doi.org/10.1016/j.jbusvent.2010.07.001>
- Tang, J. & Murphy, P.J. 2012. Prior knowledge and new product and service introductions by entrepreneurial firms: the mediating role of technological innovation. *Journal of Small Business Management* 50(1): 41-62. *Advances in Social Science, Education and Humanities Research*, volume 308
- Turkina, E. (2018). The importance of networking to entrepreneurship: Montreal's artificial intelligence cluster and its born-global firm Element AI. *Journal of Small Business & Entrepreneurship*, 30(1). <https://doi.org/10.1080/08276331.2017.1402154>

- Tuomisalo, T. (2019). Emergence of an entrepreneurial opportunity: A case within a Finnish telecommunication international new venture. *Journal of International Entrepreneurship*, 17(3), 334-354. <https://doi.org/10.1007/s10843-019-00247-2>
- Tumushabe, A. (2020, March 17). Dairy farmers struggle to find market for their milk. *Daily Monitor*
- Urban, B. (2017). Corporate entrepreneurship in South Africa: The role of organizational factors and entrepreneurial alertness in advancing innovativeness. *Journal of Developmental Entrepreneurship*, 22(3), 1-20. <https://doi.org/10.1142/S1084946717500157>
- Uganda Bureau of Statistics (UBOS). 2020. Statistical Abstract, Uganda Bureau of Statistics. Ministry of Health Knowledge Management Portal, Republic of Uganda
- Webb, J. W., Irel &, R. D., Hitt, M. A., Kistruck, G. M., & Tihanyi, L. (2011). Where is the opportunity without the customer? An integration of marketing activities, the entrepreneurship process, and institutional theory. *Journal of the Academy of Marketing Science*, 39, 537-554. <https://doi.org/10.1007/s11747-010-0237>
- Wozemba, D., and Nsanja, R. (2008). Dairy investment opportunities in Uganda-report
- Xie, X., & Lv, J. (2016). Social networks of female tech-entrepreneurs and new venture performance: The moderating effects of entrepreneurial alertness and gender discrimination. *International Entrepreneurship and Management Journal*, 12(4963-983). <https://doi.org/10.1007/s11365-016-0413-8>
- Yu, T. F. (2001). Entrepreneurial Alertness and Discovery. *The Review of Austrian Economics* 14(1) 47-63. <https://doi.org/10.1023/A:1007855505727>
- Zapkau, F. B., Schwens, C., Steinmetz, H., & Kabst, R. (2014). Disentangling the effect of prior entrepreneurial exposure on entrepreneurial intention. *Journal of Business Research*, 68(3), 639-653. <https://doi.org/10.1016/j.jbusres.2014.08.007>
- Zuber-Skerritt, O. 1992b. *Action Research in Higher Education: Examples and Reflections*. London, UK: Kogan Page.
- Zuber-Skerritt, O. 1992a. *Professional Development in Higher Education: A Theoretical Framework for Action Research*. London, UK Kogan Page

Appendix III: Questionnaire



MAKERERE UNIVERSITY
MAKERERE UNIVERSITY BUSINESS SCHOOL
FACULTY OF GRADUATE STUDIES AND RESEARCH

QUESTIONNAIRE

Dear Respondent

I am Kembabazi Owen undertaking a Masters of International Business of Makerere University. I am researching about **Prior Knowledge, Entrepreneurial Alertness and International Opportunity Exploitation in Uganda's Dairy Sector**. I am requesting you to complete this questionnaire in order to facilitate the study. Kindly spare a bit of your time to provide response to the questions listed below. The information provided will only be used for academic purposes and will be treated with utmost confidentiality. I thank you in advance for accepting to take part in this study.

Respondents Code.....

SECTION A

BACKGROUND INFORMATION

Employee information

1. Respondent Designation (Job Title)

.....

1. **Gender:** Male ☐ Female ☐
2. **Period with organization:** 1-3Yrs ☐ 4-6Yrs ☐ 7-9 ☐ 10Yrs and ☐ above
3. **Age Bracket:** 18-25Yrs ☐ 26-30Yrs ☐ 31-35Yrs ☐ 36-40Yrs ☐ 41- ☐ 45Yrs ☐ 46-50Yrs ☐ above 50yrs
4. **The highest academic qualification:** No formal education ☐ Certificate ☐ Diploma ☐ Undergraduate degree ☐ Postgraduate degree ☐ Others ☐

Organization information

5. What are your main export markets destinations?

East Africa ☐ Asia ☐ Europe ☐ Others (Please specify) ☐

6. How long has the company exported dairy products?

1-2 years ☐ 3-5 Years ☐ 6 Years and above ☐

SECTION B

In this section please tick in the boxes provided to indicate the level of agreement in regards to each of the statements. On a scale of 1-5 where; **1=Strongly Disagree; 2= Disagree, 3=Neutral 4=Agree, 5=Strongly Agree.**

	CONSTRUCT	1	2	3	4	5
PK	PRIOR KNOWLEDGE					
BE	BUSINESS KNOWLEDGE					
BE1	Our company hires employees from the business school					
BE2	Our company usually attends business events					
BE3	Our company engages consultants in capturing business information like markets					
IK	INSTITUTIONAL KNOWLEDGE					
IK1	The organization has a system of collecting information like customer demands etc.					
IK2	The organization often comes up with reports in relation to export markets like sales					
IK3	Employees have been with the organization for more than five years					
INK	INTERNATIONAL KNOWLEDGE					
INK1	The company has a branch in the foreign market					
INK2	The company has a strategic alliance with a foreign					

	organization					
INK3	The company participates in international conferences					
TK	TECHNICAL KNOWLEDGE					
TK1	The organization has a mentorship program on knowledge acquisition and use					
TK2	The organization has a software that captures market information like demand, sales, forecasts, etc.					
TK3	Employees are trained on technical issues like pricing and exportation among others					
EA	ENTREPRENURIAL ALARTNESS					
IA	INFORMATION ACCUMULATION					
IA1	The company always keeps an eye out for new business ideas when looking for information					
IA2	The company often interacts with other companies to acquire new information					
IA3	Company employees are always actively looking for new information					
IT	INFORMATION TRANSFORMATION					
IT1	Company employees read news, magazines, or trade publications regularly to acquire new information					
IT2	The company usually sees connections between information from various seemingly unconnected Fields of knowledge.					
IT3	The company can see associations between seemingly unrelated information					
IS	INFORMATION SELECTION					
IS1	Company employees have frequent interactions with others to acquire new information					

IS2	When the company comes across several opportunities, it's able to select the good ones					
IS3	The company can distinguish between profitable and not-so-profitable opportunities					
		1	2	3	4	5
IOE	INTERNATIONAL OPPORTUNITY EXPLOITATION					
IOEP	PENETRATION OF THE HOST MARKET COUNTRY					
IOEP1	The number of customers has increased in the foreign market for the past three years					
IOEP2	The company's export sales volumes have increased for the past three years					
IOE3	The company export profits have increased for the past three years					
	EXPANSION OF NEW INTERNATIONAL MARKETS					
IOE2	The number of foreign markets has increased for the past three years					
IOE3	The company has increased presence in existing foreign markets					
IOER	INTERNATIONAL NEW RELATIONSHIP NETWORK CREATED					
IOER1	The company has increased the number of partners in the foreign market					
IOER2	The company has an entrepreneurial team to pursue a business opportunity					
IOER3	The company has approached investors to acquire funding for a business opportunity					

Thank you for your precious time