

Innovativeness and Business Competitive Advantage: A Case of Business Firms Operating in Karatina Sub County, Kenya

Machira J. Mwangi

majmwa2009@yahoo.com

Jomo Kenyatta University of Agriculture and Technology, Kenya

Abstract

In this competitive world of business, the ability of firms to come up with a culture of staff members who will think of innovation as an essential factor in the business survival is a plus to any organization. The innovativeness of a business firm is thought to be a factor of its survival. It is from this belief that this research is based: to find out what role innovativeness has on the business in creating a competitive advantage in the market. This study adopted a descriptive study design using a case study of SMEs found in Karatina sub county of Nyeri Kenya. Purposive sampling was used to interview 130 respondents out of 2278 SMEs operating in the area for more than five years. The results showed that businesses that embrace innovativeness as part of their survival tactics were better placed competitively against their competitors and, they performed fairly well in all kinds of business they indulged in. Most businesses which encourages their employees to embrace innovativeness are able to improve competitiveness by improving their technology, skills and increasing their scale of innovations so as to be competitive. The conclusion of the study was that there is a positive link between innovativeness and competitive advantage. Innovativeness enhanced the need for more competition and product quality improvements, but there is also need of acknowledging the part played by the innovators. There is need for motivating and recognizing the workers with better salaries and other incentives so as to keep their morale high to achieve best results.

Keywords: *Competitive world of business, Business survival, Business firm*