

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Business organizations the world over are sufficiently environmental dependent and environmental serving because they do not exist in a vacuum. They depend on their environment for plethora of issues ranging from input resources such as information, ideas, raw materials, finance and labor among others, to the consumption of finished goods or services by the environment. Besides, their activities are also influenced and shaped by such environmental forces as social, economic, technological, competitive, and regulatory forces. Abdulsalam and Mustapha (2016) maintained that to succeed and achieve organizational objectives, business organizations adopt strategies that align them properly with operating environment, the aim of which is to avoid any mismatch between the organization and its environment. So, for business firms in general and manufacturing firms in particular to succeed in their operating environment, they need to formulate and adopt appropriate policies and program (Abdulsalam & Mustapha, 2017).

The internal work environment represents one of the main challenges that any organization -regardless of its activities, work or culture -must address within the framework of determining the future strategies and the overall objectives of the organization. This will positively affect the efficiency of the job performance of its employees both at the level of the individual and the organization through the good balance between an individual's

potential and the work he performs in an organized, continuous and stimulating manner. The process of analyzing the internal environment of the organization is of a particular importance because it identifies the potential of the organization, both material and human, and it also identifies the organization's strengths and weaknesses, which help identify the organization's position compared to competing organizations (Felix, 2017).

The internal environment variables are all elements of any given organization that it can control and have a clear impact on the organizational culture, philosophies, policies, human resource, mission and purpose (Genç, 2018). Internal environment is a broad concept and includes all the organizational material and human resources within the organization. They are in the control of the organization, can manipulate them for achieving the strategic objectives and goals. Thus, they are termed controllable variables in some previous management literature which aims at improving the organizational performance (Bin Ahsan, 2017).

Organization performance has gained increasing attention in recent decades, being pervasive in almost all spheres of the human activity. It comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives. It encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.) (Richard, 2019). Furthermore, interest in organizational performance comes from the

need of these organizations to find ways and means to identify the obstacles they face if they arise, and to look into the sensitivity of the role it plays and its importance in achieving creativity and excellence in organizations (Eyad, 2019).

However, the need for organization to achieve the production that it presents to the market and to achieve the goals for which it has been established led to scanning the internal environment in order to increase the organizational performance. Thus, this study examines the effect of internal environmental factors on organizational performance with particular reference to KAM holding company in Ilorin Kwara state.

1.2 Statement of Problem

The challenges faced by management in a constant changing environment are overwhelming, and managers need all the help they can get. Proactive and knowledgeable communication people are needed to design strategies in order to improve the organizational performance. The internal environment means having a detailed look at the organization to determine performance levels, strengths and weaknesses for all the resources it is dealing with now or in the near future (John, 2018).

Organizations who fail to scan and manage its internal environment will face problem such as poor organizational culture, inadequate resources and ineffective organizational structure which will in turn lead to decrease in customer satisfaction, low employee performance and lack of gaining edge above competitors in the industry. Hence, the need to solve the identified problems instigated this research work to examine the effect of

internal environmental factors on organizational performance with particular reference to KAM holding company in Ilorin Kwara state.

Most studies in literature were carried in general business environment, this study looked into the internal aspects of organizational environment.

1.3 Research Questions

- i. Does organizational culture affect customer satisfaction?
- ii. To what degree does organizational structure influence employee performance?
- iii. What significant effect does organizational resources have on competitive advantage?

1.4 Research objectives

The general objective of this study is to examine the effect of internal environmental factors on organizational performance, while the specific objectives are to;

- i. examine the influence of organizational culture on customer satisfaction;
- ii. determine how organizational structure influence employee performance; and
- iii. Assess the effect of organizational resources on competitive advantage.

1.5 Research hypotheses

Ho₁: Organizational culture does not have any impact on customer satisfaction

Ho₂: Organizational structure does not have any significant influence on employee performance

H0₃: Organizational resources does not have any significant effect on competitive advantage

1.6 Significance of the Study

This study is relevant in many ways. It will help organizations to monitor the dynamic-interplay of all those forces such as internal and external environment. It also enable managers monitor the environmental factors to determine opportunities for and threats to their firms. Furthermore, it helps organizations to identify their strength, weakness, opportunity and threat. Employees will benefit in this study by knowing how important they are to the company which will enable them to work vigorously for the growth of the firm.

Also, government will use this study as a means of managing public resources effectively and efficiently. This study will be relevant to stakeholders such as students, academicians, future researchers and those that are interested in knowing the internal environmental factors on organizational performance.

1.7 Scope of the Study

This study covers the effect of internal environmental factors on organizational performance with particular reference to KAM holding company in Ilorin Kwara state. This area was selected because it is an open system organization. The time lag for this study is 7 years that is from 2016 to 2023 because of the various economic downturn and

pandemic that occurred during the period which makes many firms to realign their strategies with the environment.

1.8 Operationalization of Variables

The internal environment variables adopted are organizational culture, organizational structure and organizational resources which shall be studied to improve the dependent variable; organizational performance. The variables of organizational performance used in this study includes: customer's satisfaction, employee's performance and competitive advantage.

The variables for this study are consequently operationalized as follows:

H₀₁, H₀₂, H₀₃ will be analyzed using the following model below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n$$

H₀₁- there is no significant impact of organizational culture on customer satisfaction

$$CS = \beta_0 + \beta_1 BH + \beta_2 ATT + \beta_3 VA$$

Where:

CS= Customer satisfaction (dependent variable)

B₁...β₃= coefficient

B₀= constant

X_1 = organizational Behavior

X_2 = organizational Attitude

X_3 = organizational Value

e = error term

H_{02} - there is no significant effect of organizational structure on employee's performance

$$EP = \beta_0 + \beta_1 RE + \beta_2 TS + \beta_3 DU$$

Where:

EP = Employees performance (dependent variable)

β_1, \dots, β_3 = coefficient

β_0 = constant

X_1 = Responsibility

X_2 = Task

X_3 = Duties

e = error term

H_{03} - there is no significant influence of organizational resources on competitive advantage

$$EP = \beta_0 + \beta_1 MP + \beta_2 EG + \beta_3 RA$$

Where:

CA= Competitive advantage (dependent variable)

$B_1 \dots \beta_3$ = coefficient

B_0 = constant

X_1 = Human resources

X_2 = Materials resources

X_3 = Financial resources

e = error term.

1.9 Definition of Terms

Customer's satisfaction: it is a measure of how products and service supplied by a company meet or surpass customer's expectation.

Organizational Performance: this is the actual output of a company measured against its intended output.

Employee's performance: Employee's performance is how a member of staff fulfills the duties of their role.

Competitive advantage: this is a condition that puts a company in a favorable business position.

CHAPTER TWO

LITERATURE REVIEW

2.0 Preamble

This chapter reviews literature on the concept of internal environment and organizational performance. It will be discussed under the following headings: conceptual review, theoretical review, and empirical review and research gaps.

2.1 Conceptual Review

2.1.1 Concept of Business Environment

The business environment is a set of forces and conditions outside the organization's boundaries that have the potential to affect the way the organization operates. These forces and conditions change from time to time. The business environment presents opportunities which organizations can take advantage and threats that the organization should avoid. For example changes in the environment such as the introduction of new technology or the opening of global markets, create opportunities for managers to obtain resources or enter new markets and thereby strengthen their organizations. In contrast, the rise of new competitors, a global economic recession, or an oil shortage poses threat that can devastate an organization if managers are unable to obtain resources or sell the organization's goods and services. The quality of managers' understanding of organizational environmental forces and their ability to respond appropriately to those forces are critical factors affecting

organizational performance. Typical business environment includes: the general environment, the task environment and the internal environment (Okeke, 2019).

The general environment consists of factors such as legal, economic, political, socio-cultural, technological and ethical which affect business organizations operations and which emanate from local, national and international sources. We shall explore more about this later in module. The task environment which is an aspect of the external environment and is also referred to as immediate or operational environment is the set of forces and conditions that originate with suppliers, distributors, customers, and competitors .these forces and conditions affect an organization's ability to obtain inputs and dispose of its output. The task environment contains the forces that have the most immediate and direct effect because they pressure and influence managers on a daily basis. When managers turn on the radio or Television, arrive at their offices in the morning, open their mail, or look at their computer screens, they are likely to learn about problems facing them because of changing conditions in their organization's task environment. In unit 2, we shall discuss more about these factors. An organization's internal environment consists of conditions and forces within the organization which consists of the owners, board of directors, employees, the organization's culture, the physical work environment and the various departments that make up the organization (the organizational structure). Let us briefly discuss these factors (John, 2018).

The business environment is constantly changing and thus presenting new opportunities and threats. A manager's task is to correctly analyze the environment and design a marketing mix, which will fit the environment. The ultimate purpose of the environmental analysis is to facilitate the firm's strategic response to the environmental changes. The firm can attain its objective with strategic planning in order to tap from the environmental opportunities. Oginni and Faseyiku, (2017) assert that “environment is expressed as the sum total of the external forces that influences individuals, businesses and communities”.

In the views of Adebayo, Ogunyomi and Ojodu (2016), “environment is summarized as the surrounding of a phenomenon which from time dictate and shape the direction”. Business organization does not operate in vacuum; it operates within the environment where the production and distribution of goods and services are carried out. Azhar (2018) opined that “as any other activity of the individual is greatly affected and usually controlled by his total social environment so is the business activity in which individuals or groups of individuals participate”. In the process, there is interaction between business and environment.

Carrasco (2017) environment has been seen “as the totality of the factors that affect, influence, or determine the operations or performance of a business and this was interpreted by Azhar (2018) that environment determines what is possible for the organization to achieve”. In a nutshell, environment is the combination of many factors both tangible and non-tangible elements that provides life blood support for the organizational success

through provision of market for its products and services and also by serving as a source of resources to others. The environment of a business is the aggregation of the pattern of all the external and internal conditions and influences that affect the existence, growth and development of the business (Azhar, 2018).

Oluremi and Gbenga (2019) asserted that “business organization that wants to succeed must develop a clear understanding of the trends of business environment and forces that shape competition”. The understanding in question will enable the organization to choose the appropriate strategy or strategies that fit the trends in the business environment arrived at through environmental scanning analysis with focus on the variables such as strengths, weaknesses, opportunities and threat (SWOT). The views of Adeoye(2019) was in support as he opined that “the dynamic and rapidly changing environment in which most business organizations compete is important that organizations maintain their performance measurement system through adoption of appropriate strategies that would provide information found to be relevant to the issues that are of paramount importance. Ibidun and Ogundele (2016) was of the opinion that understanding the nature of business environment which can be classified into three namely dynamic(continuous changes), stable (relative changes) and unstable (frequent changes) would further help in repositioning the organization through appropriate strategies while Ogundele (2017) added that the perception of the organizations about the nature of the business environment to a large extent depends on their size and industry in which it operates” (Ogundele, 2019).

2.1.2 Importance of Business Environment

According to Oyedijo, (2019), the following are the major benefits of business environment:

- i. **Planning:** This is a very important managerial function which helps organizational incumbents set future goals. Since planning tries to anticipate future events, it takes careful and systematic analysis of the environment so as to identify variables that will play in the future, and troubleshoot them. Survey conducted by Diffenbach (2016) of fortune 500 firms in the States, listed better strategic planning and decision making as one of the payoffs of environmental scanning. This is corroborated by Choo (2018) who remarks that “information derived from environmental scanning is increasingly being used to drive the strategic planning process by business and public-sector organizations in most developed countries.” It is pertinent to note in the years ahead the demand for scanning the environment prior to planning, whether short term or strategic, will generally increase. This is because of the increased spate of global changes in the environment.
- ii. **Opportunity Identification and Exploitation:** Managers scan the environment to identify opportunities and exploit them. As we mentioned earlier, the environment continually present ever changing scenarios of opportunities. It takes good watchers of the environment to capture the opportunities which it presents and subsequently exploit them. For instance, in Nigeria, political incumbents in trying to fulfill their

political promises and endear themselves to the public, in relation to the next elections have embarked on projects such as construction and building of the international market, international airport, international trade fair ground, etc. While ordinary citizens are enraptured with the boost and impetus it will give to the economy, financial managers could see the opportunity of financing such investment either by the government directly or through the contractors handling the projects. Again, depending on the feasibility reports of such ventures, they could undertake to finance the project and manage its leasing for some time before handing back the project to the government. This is what environmental scanning could facilitate.

- iii. **Identifying and Containing Threats:** Just as the environment presents opportunities, it equally presents threats and constraints. Environmental scanning is necessary to identify these threats, and put in place things that will help organization to overcome them. Failure to anticipate major changes in the business environment has led many a company to be beaten by their competitors and driven into bankruptcy (Harrison, 2016). For instance, the era of computerized banking services in the Nigerian financial system, which has engendered stiff competition leaves old generation banks like First Bank Plc., UBA plc. Union Bank Plc. etc., with no option but to reengineer to survive. This has been a serious challenge considering their size and intensive branch network. In any event however, they must reengineer or be left out, even if it entails downsizing.

- iv. **Strategy Formulation and Implementation:** According to Morrison (2017), scanning provides strategic intelligence useful in determining organizational strategies. Strategies are ways and means put in place by organization to realize their objectives and survive competition in the business environment. It usually comes on the heels of identifying opportunities and threats and matching same with the organization's strengths and weaknesses in an interactive process called SWOT analysis. In effect, strategies are formulated after SWOT analysis which is only done through rigorous analysis of the environmental factors. Strategies are formed, revised and changed on the basis of certain changing forces emanating from the environment. So it is an ongoing process.
- v. **Performance Evaluation:** This is another managerial exercise that requires extensive appraisal of environmental factors. After implementing strategies and program aimed at realizing the organization's mission and objectives, it becomes necessary that in assessing the extent of success, there is the need to look at the operating environmental factors and see how it aided or impeded the pursuit of set goals. Not to do environmental audit in appraisal is to live in the world of utopia and idealism devoid of realism and pragmatism.
- vi. **Discharge of Social Responsibility:** The subject of social responsibility arose in the wake of agitations from the society demanding that businesses should respond to the needs of the host communities in which they operate. It requires organizations to maintain cordial relationship with its host community by identifying its needs

and problems. This identification could mean in practical terms, the provision of infrastructural facilities, awarding scholarships, being law abiding, etc. A business organization that regularly fulfills this social obligation is perceived as a good corporate citizen and will endear itself to its host community. The point being made here is that it requires effective environmental scanning to articulate the needs of the society; and thus adequately prepares the enterprise in the area of providing social responsibilities (Oyedijo, 2017).

2.1.3 Techniques for Analyzing the Business Environment

Many techniques are available to organizations for the analysis of the business environment. Some of these techniques which are discussed below include scenario development, forecasting, benchmarking, trend extrapolation, expert opinion, cross-impact matrices, SWOT or TOWS (Atuma, 2019).

- i. **Scenario planning:** When organizations try to determine the effect of environmental forces on their operations, they frequently develop scenario of the future. Scenario planning is the formulation of multiple forecasts of future conditions followed by an analysis of how to respond effectively to each of those conditions. It can also be called contingency planning. In scenario planning, organizations may generate between two or four generically different possible futures as an outcome of the scenario planning process. This techniques often

focuses on the ‘‘best case’’ or ‘‘worst case’’ scenarios. Scenario planning seeks to consider the possible effects on the interactions between various external environmental forces on the future of an organization.

Managers should regard the scenarios they have developed as living documents, not as merely prepared once and put aside. Instead, they should constantly modify the scenarios they have created taking into considerations of the changing environment, for example, significant changes in the political, economic and legal environments and what the competitors are doing should be signal for changes in the scenarios already created.

- ii. **Forecasting:** Forecasting is another method used by organizations to analysis their environments. Forecasting is the process of predicting what will happen in the future considering the interplay of some environmental variables. According to Bateman and Snell, (2019), forecasting is the method used for predicting how variables will change the future. For example, in making capital investments, firms may try to forecast how interest rates will change. In deciding to expand or downsize a business, firms may try to forecast the demand for goods and services or forecast the supply and demand of labor they probably would use.

Forecasts are designed to help executives to predict about the future, their accuracy varies. Forecasts are more accurate when the future ends up looking like the past. However it should be noted that in cases where there are little or no changes between the past and the future, forecasting may not be all that useful. Forecasting

is more useful when the future trends in the environment are more dynamic. The best advice for using forecasting as offered by Bateman and Snell, (2019), might include the following; Use multiple forecasts, and perhaps average their predictions, Remember that accuracy decreases the further into the future you are trying to predict, Forecasts are no better than the data used to construct them, Use simple forecasts (rather than complicated ones) where possible, and Keep in mind that important events often are surprises and represent departure from predictions.

- iii. **SWOT Analysis:** The full meaning of SWOT is S is strengths, W is weaknesses, O is for Opportunities and T is for Threats. These are factors found within the business environment in which the organization operate. SWOT analysis is a systematic identification of these factors and the strategy that reflects the best combinations of these factors. The best practice is to effectively maximize a firm's strengths and opportunities and at the same time, minimize the weaknesses and threats found in the business environment. This frame work can be used to choose and design an effective strategy that can assist an organization to compete in its business environment.

A firm can start its SWOT analysis by reviewing its internal strengths and weaknesses. This can be done by the management or by external consultants who can help to provide a more objective view. The factors that are identified are listed and given scores to indicate their importance, with the most important issues receiving the highest scores. The process is applied for the firm's external

opportunities and threats so as to bring to light the external factors which will likely occur and which are seen to have impacts on the firm's operations. Using this approach, the firm can then design strategies that reflect its ability to operate in its business environment. The resultant strategies should enable the firm to attain its objectives by taking advantages its strengths, opportunities and minimizing its weaknesses and avoiding the threats.

- iv. **Benchmarking:** Benchmarking is yet another tool in which a firm can use to analyze its environment. Benchmarking is the process in which an organization undertakes to compare its practices and technologies with those of other organizations. In practice, a firm would identify the best performing company in a given area, for instance, product quality or customer service, and then comparing the processes with theirs to see the areas where improvements can be made in order to meet or even exceed the best practice. To achieve this, a team would collect information on its own company operations and those of the firm to determine gaps. The gaps would serve as a point of entry to know the underlying causes of performance differences. The idea is that by applying this approach, the team would make out a set of best practices that would enable them to meet world class performance (Atuma, 2019).

2.1.4 Types of Business Environment

There are basically two types of business environment which includes internal and external business environment (Atuma, 2019):

The External Business Environment

According to Philip (2013) typical external environment includes; the political environment, legal environment, economic environment, socio cultural environment, technological forces and the demographical forces.

Political Environment

The political environment is mainly concerned with the type of leadership a nation adopts. Political processes shape a society's laws, which constrain the activities of organizations and thus create both opportunities and threats. Politics is concerned with those processes which help to determine how conflicts are contained, modified, postponed or settled, and as such can be seen as a universal social activity. Politics tends to be associated with activities at state level where the resolution of conflict often involves large numbers of people (Kolir, 2017).

Government: This is concerned with the pursuit and exercise of power- the power to make decisions which affect the lives of substantial numbers of people, be it at local, state, national or even international level. Government may also refer the institutions through which power tends to be formally and legitimately exercised, whether they are cabinets,

parliaments, councils, committees or congresses. Whereas the pursuit and exercise of power tends to be enduring feature of any society, governments are normally transitory, comprising those individuals and/or groups who, at a particular time, have the responsibility for controlling the state, including making laws for the good of society. How governments exercise their power and the ideological foundations on which this is based, helps to indicate the nature of the political system and its likely approaches to the resolution of conflicts, (Worthington & Britton, 2019).

Types of Political Systems

We can distinguish two main political systems which are the authoritarian system and the political system. However in between these two, there could be other dimensions (Sandra, 2017).

- i. **Authoritarian political systems:** The authoritarian political system could be an individual (e.g. a monarch or other powerful individual) or a group of individuals (e.g. a political party or military junta) who may have assumed political power in a variety of ways (e.g. by birth, election or coup). Once in power, the individual or group will tend to act so as to limit the degree of participation by others in the process of decision making, even to the extent of monopolizing the process altogether and permitting no opposition to occur. Where this is the case, a society is often described as being 'totalitarian.'

- ii. **Democratic political systems:** In a democratic political system, it is assumed that as far as possible conflicts should be resolved by rational discussions between the various parties concerned, with the final solution being accepted voluntarily by all participants, even if they disagree. In democratic setting solution to conflict resolution can be achieved through a system of political representation and responsibility. In a political system, the wishes and views of individuals are represented in established authorities that are chosen by the people at regular intervals through elections. Such representatives are accountable to the people they represent. According to Worthington & Britton (2019), democracy means far more than just popular government or a system of regular elections, the democratic approach to government implies the existence of a complex array of institutions and processes through which the wishes of the people are articulated and carried out. Although the specific institutional arrangements tend to vary between states, however there are four common components inherit in any democratic government which are an electoral system, a party system, a representative system and a pressure group. These are discussed below.
- iii. **The Electoral System:** The electoral system is responsible for organizing elections in the country. Thus it is through the electoral system that the people (the electorate) are linked to government through elections. Election gives the electorate the power to choose those who will represent them in the government.

- iv. **The party system:** In a true democratic dispensation, the system operates through the party system. Candidates are presented to the electorates through political parties. Although it is also possible to have a one party system, but in most countries like Nigeria, USA, and Britain to mention just a few, different political parties are organized and the candidates are elected through the political parties. In the present Nigeria, there are various political parties e.g. PDP, APC, APGA among others which present their candidates for elections into different political offices at the local areas, state and the federal levels. The parties first of all choose their candidates and present them to the electorates for election into various offices. Thus the candidates from different political parties compete for offices during election times.

One of the major benefits of the party system is that it provides a means of selecting political leaders and the kind of policies they would pursue if they win the election. Parties usually use label such as plants, animals, buildings, and other items to describe their parties to the electorates during election times in order voters to recognize their candidates and vote for them. In Nigeria some parties use coin, hen, and umbrella among others to describe their parties to the electorates. In order to convince the electorate, parties usually have an identifiable policy statement (party manifesto) which states what the party stands to achieve or belief in and attempts to achieve if it gains political office. However it should be noted that party manifestos are not always a good guide to determine preferences of individual

candidates. What matters in most cases is the individuals' credentials and previous achievements (Sandra, 2019).

Legal Environment

The legal aspect of the general environment includes the legislation, regulation and court decisions that govern and regulate business behavior. In this unit we shall consider types of laws, sources of law, the legal system, business organizations and the law, contract law and agency (Faidah, 2016).

Types of laws

Laws relating to both individuals and organizations can be classified in a number of ways: international and national, public and private, criminal and civil. In practice there are no hard and fast rules to classification and some categories may overlap (e.g. where a person's behavior is deemed to infringe different areas of law). Nevertheless, distinguishing laws in these terms serves as an aid to explanation and commentary, as well as helping to explain differences in liabilities and in legal remedies in Nigeria (e.g. a child under the age of 10 cannot be held criminally liable).

- i. **Public and private law:** Put simply, public law is the law which concerns the state, whether in international agreements or disputes or in the relationship between the state and the individual. Thus public law consists of international treaties and conventions, constitutional law, administrative law and criminal law. In contrast,

private law is law governing the relationships between individuals and comprises laws in respect of contract, tort, property, trusts and the family.

- ii. **Criminal law:** Criminal laws relate to a legal wrong (criminal offence) — a breach of a public duty, punishable by the state on behalf of society.
- iii. **Tort:** A tort is a civil wrong other than a breach of contract or a breach of trust and is a duty fixed by law on all persons (e.g. road users have a duty in law not to act negligently). The law of tort, therefore, is concerned with those situations where the conduct of one party threatens or causes harm to the interests of another party and the aim of the law is to compensate for this harm. The most common torts are negligence, nuisance, defamation and trespass.
- iv. **Trusts:** A trust is generally defined as an 'equitable obligation imposing on one or more persons a duty of dealing with property, over which they have control, for the benefit of other persons who may enforce the obligation'. This property may be in the form of money or stocks and shares or in other types of asset, particularly land, where trusts have become a very common way of permitting persons who are forbidden to own legal estates in land to enjoy the equitable benefits of ownership. Partnerships, for example, cannot hold property as legal owners, so often several partners will act as trustees for all the partners (as a partnership has no separate corporate identity it cannot own property. Similarly, minors may not hold legal estates, so their interests must be protected by a trust, administered by an individual or an institution (Faidah, 2019)

The Economic Environment

Business organizations operate in an economic environment which shapes, and is shaped by, their activities. In market-based economies this environment comprises variables which are dynamic, interactive and mobile and which, in part, are affected by government in pursuit of its various roles in the economy. As a vital component in the macro economy, government exercises a significant degree of influence over the flow of income and hence over the level and pattern of output by the public and private sectors. Other key influences include a country's financial institutions and the international economic organizations and groupings to which it belongs or subscribes (Seliniirt, 2016).

Business activity not only is shaped by the economic context in which it takes place, but helps to shape that context; consequently the success or otherwise of government economic policy depends to some degree on the reactions of both the firms and the markets (e.g. the stock market) which are affected by government decisions. The economic influences operate at different levels and this can affect businesses either favorably or adversely. Variables of economic system are (Mintirul, 2017);

- i. **The centrally planned economy:** In this type of economic system - associated with the post - Second World War socialist economies of Eastern Europe, China, Cuba and elsewhere - most of the key decisions on production are taken by a central planning authority, normally the state and its agencies. Under this arrangement, the state typically: owns and/or controls the main economic resources; establishes

- priorities in the use of those resources; sets output targets for businesses which are largely under state ownership and/or control; directs resources in an effort to achieve these predetermined targets; and seeks to co-ordinate production in such a way as to ensure consistency between output and input demands.
- ii. **The free-market economy:** The free-market (or capitalist) economy stands in direct contrast to the centrally planned system. Whereas in the latter the state controls most economic decisions, in the former the key economic agencies are private individuals (sometimes called 'households') and firms, and these interact in free markets, through a system of prices, to determine the allocation of resources (Mintirul, 2018).

The Technological Environment

Technology is defined as 'the sum of knowledge of the means and methods of producing goods and services' (Penguin Dictionary of Economics). It is increasingly science based, encompassing things like chemistry, physics and electronics, and refers to the organization of production as well as the actual techniques of production itself. Technological change leads to the introduction of new products, changes in the methods and organization of production, changes in the quality of resources and products, new ways of distributing the product and new ways of storing and disseminating information. Technology has a very big impact upon the world of business in all of these areas and has an important effect on

the level and type of investment that takes place in an economy and therefore the rate of economic growth (Haris, 2019).

Technological change: There have been massive changes in technology in the past ten years. This section will consider a few of these and assess their impact upon business and the economy.

Information technology: Developments in information technology have had the effect of transforming existing business activities as well as creating entirely new ones, involving the collection, handling, analysis and transmission of information. There has been a massive increase in the demand for information, and, on the supply side, continued advances in the miniaturization of components. These will continue even when the capabilities of the silicon chip have been exhausted, with the development of superconductors and electronics. There are also the advances in the computing area such as the development of new languages and artificial intelligence (Lilian, 2019).

Advances in information technology have many impacts upon business. They are creating new products and making old products more profitable to produce through things like computer-aided design (CAD). The effects they are having on the different functions carried out by businesses can easily be seen (Ronald, 2017):

- i. **Administration:** The administration of businesses has been revolutionized by the introduction of information technology. Most businesses have computer systems, records have been computerized and filing has become unnecessary.

- ii. **Communication:** This has been eased by the introduction of fax machines and email, mobile phones etc. Video conferencing has contributed to the change in working practices by making it possible for people to work anywhere. Telecommunications companies, such as BT, are working on desktop video conferencing systems, where the video camera is attached to the desktop PC.
- iii. **Storage and distribution:** The computerization of stock control has had implications for the storage requirements of firms. It has made implementation of the just-in-time method of stock control possible. This is easily seen in the case of supermarkets where the use of bar-codes on products makes it possible to carry out a stock check of a whole supermarket in a matter of hours. The shelves can then be loaded up as the stock check continues. Similarly, the use of bar-codes with Electronic Point of Sale (EPOS) makes stock control simpler.
- iv. **Electronic Funds Transfer at Point of Sale (EFTPOS):** This system has also had a revolutionary effect in the area of retailing. Most shops now accept credit cards or Switch cards where funds are immediately transferred from bank accounts to the supermarkets.
- v. **The Internet:** The potential for the Internet is enormous, although it is still growing. At present, the U.S seems to be the highest user, the market is growing (Ronald, 2017).

One aspect of business where information technology has become particularly important is in providing opportunities for firms to interact immediately with their customers and

suppliers, whoever and wherever they might be. E-commerce, e-business and e-markets are now part of the business lexicon and are now an important area of study for undergraduate and postgraduate students alike (Sara, 2018). Other technological developments:

- i. New materials. There are two main developments in this area: the development of materials in the high-tech industries like technical ceramics and the upgrading of materials used in lower-range products like coated sheet metal.
- ii. Biotechnology. This is expected to have wide-ranging effects on many fields. The development of new products like computers that can imitate the activity of the brain can shorten the development process for certain products by speeding up existing processes.
- iii. Energy. The kinds of developments that can take place in this field are the use of superconductors to transport electricity and research which might make solar energy a viable source of energy (Sara, 2017).

These are the new emerging industries which are creating new products and making old products more profitable to produce. It has been estimated that the output of these emerging industries is 20 per cent for consumption within the industries themselves, 20 per cent for final consumption and 60 per cent for consumption in the traditional industries (Li, 2017).

The Demographic Forces

Demography is the study of populations both in terms of their overall size and their structural characteristics. From a business point of view the key aspects of interest include the age structure of a given population, its gender balance, its geographical distribution and the tendency for both the size and structure of the population to change over time. Demographic change can have important implications for both the demand and supply side of the economy and hence for organizations of all types (Atuma, 2019).

- i. **Population:** A country's population normally increases over time and will vary according to such factors as changes in the birth and death rates and in the rate of net migration. For example, the Nigerian population as at 2015 is estimated to be 170 million people. In comparison, Russia's current population of around 145 million is projected to fall to about 100 million by 2050 as a result of a declining birth rate and a rising death rate in the wake of the country's economic collapse. If this occurs the world's biggest country will have fewer people than countries such as Uganda and Egypt. It is worth remembering, however, that future population changes are only projections and that these can vary considerably over time as new data become available. For example, in late 2007 the UK's Office for National Statistics provided three projections for the UK population by 2081: 63 million (lowest estimate); 108.7 million (highest estimate); 85 million (most likely estimate). These estimates show considerable variation and indicate how future

population changes are relatively unpredictable, which can make forward planning difficult.

- ii. **The age and sex distribution of the population:** In addition to examining the overall size of a country's population, demographers are also interested in its structural characteristics, including the balance between males and females and the numbers of people in different age categories (Atuma, 2019).

Other Structural Characteristics

Populations can also be examined in a number of other ways including their ethnicity and geographical distribution (Okeke, 2019).

- iii. **Population change:** As the previous analysis indicates, populations can change in either size and/or structure, with important consequences for economic activity both within and between countries. The size and structure of a country's population depend on a number of variables, the most important of which are the birth rate, the death rate and the net migration rate.
- iv. **The birth rate:** Birth rates tend to be expressed as the number of live births per thousand of the population in a given year. In many countries this figure has been falling steadily over a long period of time for a number of reasons. These include:
 - a. A trend towards smaller families as people become better off and health improves and death rates fall.
 - b. The increased availability of contraception.

- c. The trend towards later marriages and later childbearing for social and/or economic reasons.
- d. Declining fertility rates.
- e. Changing attitudes towards women and work (Okeke, 2019).

In some countries governments have offered financial and other incentives to married couples to try to reduce the birth rate (e.g. China) as a means of controlling population growth. In other countries incentives have been offered to try to reverse the actual or potential decline in the birth rate because of its economic consequences (e.g. France, Singapore). Declining birth rates are, of course, an important contributor to an ageing population; they can also have other consequences. For instance, a recent increase in the birth rate in the UK has led to a call by the Optimum Population Trust for British couples to restrict themselves to 2 children in order to reduce the impact of population growth on the natural environment. In Nigeria, various governments have tried to restrict couples to four children per couple but this has not been effectively handled (Roshman, 2018).

- v. **The death rate:** Like birth rates, death rates are usually measured per thousand of the population in a given year. For developed economies, this figure has tended to fall over time before reaching a plateau. Among the main contributors to this trend have been:
 - a. Rising living standards, including better housing, sanitation and nutrition.
 - b. Developments in medical technology and practice.

- c. Better education.
- d. The difference between the birth rate and the death rate represents the natural change in the population (i.e. increase or decrease).

The Social Environment

Since organizations exist and operate in society, they are subject to a variety of societal influences that operate at both a general and specific level. In this section we consider some of the key factors within an organization's social environment, starting with the concept of social class (Vivian, 2020).

Social class: Throughout history, all societies have normally exhibited a certain degree of social and economic inequality that has given rise to the tendency to classify individuals into different social categories. For example, in India the 'caste system' has been an important source of social differentiation and one which has exerted a key influence over the life and opportunities available to members of the different castes. In other countries, including Nigeria, the categorization of individuals has often been based around notions of social class, the idea of grouping people together who share a similar social status which is related to certain common features such as educational background, income and

occupation. Whereas in some types of social system, movement between groups is either very difficult or impossible (e.g. the caste system), in others social mobility is frequently observed, with some individuals able to move relatively quickly between the different social strata (e.g. upper class, middle class, working class) as their personal circumstances change (Elin, 2019).

Another factor that can clearly affect people's attitudes and behavior is the lifestyle that they choose to adopt. Lifestyles are basically concerned with the way in which people live and how they spend their money, decisions which are not necessarily always linked to their socio-economic position. Two individuals with the same occupation - and nominally in the same social class - may have entirely different lifestyles, a point well illustrated by examining two university lecturers. My own lifestyle is highly sophisticated, environmentally sensitive, artistic and cosmopolitan; that of a colleague - who happens to teach marketing - is narrow, parochial, philistine and consumption-driven. Then, what would one expect?! (Inilor, 2017).

Lifestyle analysis provides another way of seeking to categorize and explain human behavior, based on factors such as an individual's interests, activities and opinions as well as on their demographic characteristics. In essence, the proposition is that by examining distinctive patterns of consumer response, a marketing organization can build up a clearer picture of an individual's habits, preferences and behavior and by doing so can design more

effective and appealing products, marketing program and/or communications that can be aimed at specific lifestyle groups (Ralinish, 2017).

Other social influences: While it is important to consider the influence of broad social factors such as class and lifestyles, it is also worth remembering that consumers are individuals and that they are subject to influences that operate at a personal level. Such influences include the wide variety of individuals and groups with whom we come into contact during our lifetime and who may influence our attitudes, values, opinions and/or behavior. Primary among these are our interactions within the family, with friends or work colleagues and through our involvement with sports and social clubs, religious organizations, trade unions and so on. Such groups are sometimes referred to as reference groups. Groups that have a regular or direct (i.e. face-to-face) influence on us are known as primary reference groups while those whose influence tends to be more indirect and formal are known as secondary reference groups. The former, in particular, can be very influential in shaping our attitudes and behavior including our decisions on consumption (Abel, 2017).

The Cultural Environment

The term culture generally refers to a complex set of values, norms, beliefs, attitudes, customs, systems and artefacts which are handed down from generation to generation through the process of socialization and which influence how individuals see the world and

how they behave in it. Defined in this way, culture can be seen to have at least three important features (Atuma, 2019):

- a. It comprises both material (e.g. human artefacts such as buildings, literature, art, music) and abstract elements (e.g. rituals, symbols, values);
- b. It is socially learned and transmitted over time; and
- c. It influences human behavior (Atuma, 2019).

As a concept, 'culture' is often applied in a variety of circumstances at both the macro and micro level: terms such as 'western culture', 'Asian culture', 'European culture', 'New York City culture', 'youth culture', 'pop culture', 'entrepreneurial culture' and 'research culture' are just some of the examples of its usage in this modern world. What they have in common is that they imply certain shared aspects of human belief, understanding and behavior that link individuals together into some form of definable group and/or range of activities (Stephen, 2018).

In a business context, it can be easy to underestimate the degree to which a person's perceptions, attitudes and behavior can be shaped by cultural influences, some of which may be relatively enduring (e.g. certain 'core' values and beliefs) while others may be more open to change (i.e. secondary beliefs and values). In the United States, for example, American citizens believe in the right of individuals to bear arms and this is enshrined in the US Constitution. The buying and selling of handguns and rifles is thus acceptable within American society, despite the fact that they are frequently used in violent crimes

including robbery and murder. In other countries, trade in such weapons tends to be seen as highly questionable by most people and is usually heavily regulated by the government to certain types of weapons for use in acceptable pursuits such as hunting or rifle shooting. Cultural differences such as this can, of course, apply not only to the kinds of goods and services that are consumed (e.g. eating horsemeat in France is acceptable but not in Nigeria) but also to other aspects of both the production and consumption process and this can have important implications for an organization's behavior (Moisr, 2017).

The Internal Business Environment

Internal environment or work environment is not just where individual perform job related tasks. Mullins (2017) It also includes a number of factors such as location of the organization, size of the organization, work condition, nature of the job, fellow employees, the local, state, and federal regulation that apply to the industry, the relationship with competitors, the relationship with the public, the managerial philosophy, the leadership styles and the organizational structure, any one of which may be considered the most important element by different people. According to Billings and Moos (2016), work environment preferences can be measured using three dimensions of work environment settings; system maintenance, goal orientation, and relationship dimensions. System maintenance refers to how orderly and organized the work setting is, how clear it is in its expectations, and how much control it maintain. Goal orientation assesses the degree to which an environment encourages or stifles growth through providing for participation,

and providing job challenge and expectations for success and accomplishment. The relationship dimension measures the degree of interpersonal interaction in a work environment, such as the social communication exchanges and cohesion among workers, and the friendship and support provided by co-workers and management. These work environment preferences have been shown to affect individuals' personal functioning at work (Billings and Moos, 2017).

Examination of work environment preferences can help identify organizational factors that may be problematic, and can guide interventions aimed at reducing employee stress in a variety of work settings.

2.1.5 Dimensions of Internal Environment

Organizational Structure

Organizational structure, which contains the internal basic elements in the organization as responsibilities, duties and tasks are all directed towards creating an effective network of communication between various management levels to assure the smooth flow of information (Al Ghalibi, 2017).

Organizational structure is also the framework of all internal activities designed to achieve the strategic goals and objectives of any given organization. It defines the organizational roles and responsibilities assumed by each of the organization members. It sets the lines for the interaction between employees and their superiors. It is the base for assigning roles and

tasks, clarifies the tasks and processes each member in the organization should show so as the organizational short and long term objectives and goals are properly achieved (Stacey, 2018). Additionally, organizational structure defines roles and tasks, assures smooth data flow, and sets the boundaries in the relationship between the different levels of management structure till reaching the individual employee (BaniHamdan, 2019).

Organizational Culture

The second dimension is organizational culture. It is defined as the expression of organizational philosophy and policies. It mirrors the dominating values adopted by members working in the same organization, reflects their personal goals and objectives they expect to achieve while being members in a specific organization. Organizational culture dictates the behaviors, attitudes and values of those working in the organization (BinAhsan, 2017). Saqer (2018) defined it as the mixture of communication channels, behaviors and attitudes that are combined together to create the environment dominating the interactions between any given organization members. While Asfour (2018) argued that organizational culture is all beliefs and values the top management perceive as suitable for the work flow in the organization and achieve the desired objectives. These beliefs and values continue to be reflected in actions and behavior, so, they become an integral part of the organization .Furthermore, organizational culture is the formal and informal history of organization, documents the history of organization in the market it operates, its market position, management style, and defines the nature of interactions (Mukhtar, 2017).

Organizational Resources

The third variable of internal organizational environment in this study is organizational resources, these include material and human resources such as marketing resources which refer to all activities and responsibilities assumed by marketing specialists in the organization to manage the flow of products and services based on the market demand, using different forms of marketing mix, benefiting from the available material and human resources to develop an effective marketing strategy (Genç, 2017). Resources are also linked with the affordance of financial and human resources as both of them are key players in providing high quality products and services to maintain competitive advantage. And for organizations working in the knowledge creation sector such as universities, there is a need for further resources such as development and research resources to assure that the organization is able to keep abreast with the developments in the technical and technological domains (Bin Ahsan,2018).

2.1.6 Concept of Organizational Performance

Tangen(2018) define firm performance as metrics employed to quantify the efficiency and effectiveness of the firm's actions. According to Tang and Zhang (2016), business performance still remains a contentious subject to business practitioners and academic communities. Jones & George (2018) further pointed out that it is the measure of how management utilizes the available resources of the organization efficiently and effectively to accomplish the goals of the organization including stakeholder satisfaction. The choice

of business performance measures differs from individual firms. Pun & White (2018) suggest that quantitative measures such as financial ratios, number of customer complaints and staff turnover are easy to ascertain compared to qualitative measures such as morale, leadership and customer perception.

According to Verbeeten& Boons, (2019), subjective business performance measures are provided in non-monetary terms and usually consist of market share, customer satisfaction, employee turnover and new product development. Chong (2018) argues that objective measures are inaccessible, confidential, incomplete and often inaccurate. According to Sandada (2017), objective business performance measures consist of the financial records that include actual profit, turnover, return on investment, return on capital employed and inventory turnover. Chow & Van der Stede (2016) is of the opinion that organizations generally use the objective rather than subject measures to assess their success subject to provision of accurate information. Objective measures are not dependent on manager's perceptions but rely on actual operational financial information. According to Vorhies and Morgan (2016), three most common financial measures include profit margin/return on sales (which determine a firm's ability to withstand competition, adverse rising costs, falling prices, and future eclining sales); return on assets (which determines the ability to utilize assets);and return one quity (which is payment of dividends to stockholders). Previous studies such as Li, Zhang& Chan (2017) use efficiency, profit and growth to measure performance while Lee &Tsang (2018) use profit growth, sales growth and growth of company assets as measures of business performance.

2.1.7 Dimensions of Organizational Performance

Competitive advantage

The term competitive advantage refers to the ability gained through attributes and resources to perform at a higher level than others in the same industry or market (Beaver & Jennings, 2017). The study of this advantage has attracted profound research interest due to contemporary issues regarding superior performance levels of firms in today's competitive market. "A firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential player" (Agha, Alrubaiee&Jamhour, 2017).

Competitive advantage is the leverage a business has over its competitors. This can be gained by offering clients better and greater value. Advertising products or services with lower prices or higher quality piques the interest of consumers. Target markets recognize these unique products or services. This is the reason behind brand loyalty, or why customers prefer one particular product or service over another. Value proposition is important when understanding competitive advantage. If the value proposition is effective, that is, if the value proposition offers clients better and greater value, it can produce a competitive advantage in either the product or service. The value proposition can increase customer expectations and choices (Andrein, 2018).

Competitive Strategy is defined as the long term plan of a particular company in order to gain competitive advantage over its competitors in the industry. It is aimed at creating

defensive position in an industry and generating a superior ROI (Return on Investment). Michael Porter defined the two ways in which an organization can achieve competitive advantage over its rivals: cost advantage and differentiation advantage. Cost advantage is when a business provides the same products and services as its competitors, albeit at a lesser cost. Differentiation advantage is when a business provides better products and services as its competitors. In Porter's view, strategic management should be concerned with building and sustaining competitive advantage (Michell, 2018).

Competitive advantage seeks to address some of the criticisms of comparative advantage. Competitive advantage rests on the notion that cheap labor is ubiquitous and natural resources are not necessary for a good economy. The other theory, comparative advantage, can lead countries to specialize in exporting primary goods and raw materials that trap countries in low-wage economies due to terms of trade. Competitive advantage attempts to correct this issue by stressing on maximizing scale economies in goods and services that garner premium prices (Stutz & Warf, 2019).

Successfully implemented strategies will lift a firm to superior performance by facilitating the firm with competitive advantage to outperform current or potential players (Josiah, 2018). To gain competitive advantage, a business strategy of a firm manipulates the various resources over which it has direct control, and these resources have the ability to generate competitive advantage (Porter, 2018). Superior performance outcomes and superiority in production resources reflect competitive advantage (Josiah, 2017). The quotes above

signify competitive advantage as the ability to stay ahead of present or potential competition. Also, it provides the understanding that resources held by a firm and the business strategy will have a profound impact on generating competitive advantage. Wang (2017) views business strategy as the tool that manipulates resources and creates competitive advantage. Hence, viable business strategy may not be adequate unless it possesses control over unique resources that have the ability to create such a relatively unique advantage.

Michael Porter, a graduate of Harvard University, wrote a book in 1985 which identified three strategies that businesses can use to tackle competition. This book was named the ninth most influential management book of the 20th century. These approaches can be applied to all businesses whether they are product-based or service-based. He called these approaches generic strategies. They include cost leadership, differentiation, and focus. These strategies have been created to improve and gain a competitive advantage over competitors. These strategies can also be recognized as the comparative advantage and the differential advantage (Stutz & Warf, 2019).

Cost leadership strategy

Cost leadership is a business's ability to produce a product or service that will be at a lower cost than other competitors. If the business is able to produce the same quality product but sell it for less, this gives them a competitive advantage over other businesses. Therefore, this provides a price value to the customers. Lower costs will result in higher profits as

businesses are still making a reasonable profit on each good or service sold. If businesses are not making a large enough profit, Porter recommends finding a lower-cost base such as labor, materials, and facilities. This gives businesses a lower manufacturing cost over those of other competitors. The company can add value to the customer via transfer of the cost benefit to them (Fuller &Matzler, 2017).

Differential Strategy

A differential advantage is gained when a business's products or services are different from its competitors. In his book, Michael Porter recommended making those goods or services attractive to stand out from their competitors. The business will need strong research, development, and design thinking to create innovative ideas. These improvements to the goods or service could include delivering high quality to customers. If customers see a product or service as being different from other products, consumers are willing to pay more to receive these benefits (Reed &Fillippi, 2018).

Focus Strategy

Focus strategy ideally tries to get businesses to aim at a few target markets rather than trying to target everyone. This strategy is often used for smaller businesses since they may not have the appropriate resources or ability to target everyone. Businesses that use this method usually focus on the needs of the customer and how their products or services could improve their daily lives. In this method, some firms may even let consumers give their inputs for their product or service (Neil, 2016).

This strategy can also be called the segmentation strategy, which includes geographic, demographic, behavioral, and physical segmentation. By narrowing the market down to smaller segments, businesses are able to meet the needs of the consumer. Porter believes that once businesses have decided what groups they will target, it is essential to decide if they will take the cost leadership approach or differentiation approach. Focus strategy will not make a business successful. Porter mentions that it is important to not use all 3 generic strategies because there is a high chance that companies will come out achieving no strategies instead of achieving success. This can be called "stuck in the middle", and the business won't be able to have a competitive advantage (Samuel, 2017).

When businesses can find the perfect balance between price and quality, it usually leads to a successful product or service. A product or service must offer value through price or quality to ensure the business is successful in the market. To succeed, it's not enough to be "just as good as" another business. Success comes to firms that can deliver a product or service in a manner that is different, meaningful, and based on their customers' needs and desires. Deciding on the appropriate price and quality depends on the business's brand image and what they hope to achieve in relation to their competition (Wang, 2017).

Employee Performance

Every organization performs its task with the help of resources as men, machine, materials and money. Except manpower other resources are non-living but manpower is a live and generating resource. Manpower utilizes other resources and gives output. If manpower is not available then other resources are useless and cannot produce anything. Out of all the

factors of production manpower has the highest priority and is the most significant factor of production and plays a pivotal role in areas of productivity and quality. In case, lack of attention to the other factors those are non-living may result in reduction of profitability to some extent. But ignoring the human resource can prove to be disastrous (Samson, 2016).

Employees are performing different jobs in an organization depending upon the nature of the organization. They mainly perform tasks like production, storage, manufacturing, transportation, marketing, purchasing, distribution, promotion of business, finance and accounting, human resource, research and public relations. All these activities are inter-related to achieve the targets. These are to be performed by the employees properly so they can give their best output at the job. This will have great impact on the total production, sales, profit, progress and market position of the company in the market. Various factors like skills, training, motivation, dedication, welfare, management policies, fringe benefits, salary and packages, promotion, communication etc. are responsible to encourage the people to work sincerely and give their best output. The importance of employees' performance must be understood by the management and sincere efforts must be put in that direction. The management of the company taking timely steps in that direction will be in position to develop and motivate the people to do so. Finally the company may take the lead the market and grab the opportunities available in the market (Brown, Michell, & Lewis, 2017).

Advantages of Higher Employees' Performance

Higher performance is of benefits to the individuals, organization, society and nation as a whole. It improves the productivity of individual on job, employee gets job satisfaction at job; psychological problems of employees come to low level, involvement of employees in their jobs increases, a sense of commitment and loyalty among employees develop, employees get higher salaries and incentives on production basis, quality and quantity of the total production increase, sales and market shares of the company in the market improves, profit improves and that leads to progress of the business, good will of the organization goes high and all these contribute in the development of national economy and living standard of the society as a whole (Maxwell & Bell, 2017.)

Concept of Customer Satisfaction

The major aim for establishing a company is to make profit through products and services, purchases by consumers. Products and services are being developed by firms and they map out appropriate strategies in offering the products and services to targeted customers. The targeted customers get convinced and make purchase for use and satisfy their needs. When targeted customers are satisfy with the product and services they keep on making purchases. Customer satisfaction can said to mean a process or an outcome. The rate at which firms' products are purchased by consumers and quality online practices result to customer satisfaction retention, huge patronage and loyalty to organization (Teery, 2017).

Once a customer is satisfied is likely to remain loyal to the company's product and will repeat purchase, he will also went further to spread the good experience to potential customers (WOM). Through satisfaction of customers companies achieve their goals. Satisfaction is said to be a person's feeling of pleasure or disappointment which is as a result of comparison of a product perceived performance in relation with his or her expectations. Therefore customer satisfaction can be defined as a result of cognitive and affective evaluation, in which some comparison are made between the actual compared standard and perceived performance. If performance is less than excepted customer will be dissatisfied but if performance is more than accepted, the customer will be satisfied. Customers will be in neutral stage if perceived expectations meet performance (Schall, 2019).

Ivanka (2019) assert that customer satisfaction is the customers' evaluation of performance offering to date. The overall satisfaction has strong positive effect on customer loyalty intensions over a wide range of product and services. Sales process, after-sale service, customers expectation and whether customer is satisfied after purchase depends offering of the product and customer expectation. Expectation can be form by customers from their past experience, friends, associates advice, marketers, competitors' information and promises. Expectation are being determined by customers' needs, total value and total cost. Choosing a product or service is among the stages customers go through. Buyer's characteristics influence its decision, such as culture, social, personal and psychological factors. The process is in five stages: 1) new recognition, 2) information search, 3)

information evaluation, 4) purchase decisions and 5) post purchase evaluation. Information search is the key to consumer's decision-making process which can be for both internal and external information (Ivanka, 2019).

Consumers continue to search for information because of risk in order to meet up the uncertainties of potential positive or negative consequences. At times customers passes through all the five stages or they may skip some. But customer is looking for is value in the product they are buying. Customers seek for information about the product they want to buy to check if it is in line with their expectations and if the product or service is of essential importance, they check these through surveys, phone interviews and customer discussions. Customer orientation is also important and need to be measured constantly. Customer being the "life blood" of every business and at the same the reason while business are established need satisfaction from product and services they purchase from the firm. Many studies have shown that it is difficult to measure customer's satisfaction but at the same time it has some favorable attributes such as repeat purchase behavior and positive word of mouth (Mattila, 2018).

Important of Customer Satisfaction

Customer satisfaction is a marketing term that measures how products or service supplied by a company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to

manage and improve their businesses. Here are the top six reasons why customer satisfaction is so important (Reimer, 2017).

It's a leading indicator of customer repurchase intentions and loyalty: Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future. Asking customers to rate their satisfaction on a scale of 1 - 10 is a good way to see if they will become repeat customers or even advocates. Any customers that give you a rating of 7 and above, can be considered satisfied, and you can safely expect them to come back and make repeat purchases. Customers who give you a rating of 9 or 10 are your potential customer advocates who you can leverage to become evangelists for your company. Score of 6 and below are warning sign that a customer is unhappy and at risk of leaving. These customers need to be put on a customer watch list and followed up so you can determine why their satisfaction is low. That's why it's one of the leading metrics business use to measure consumer repurchase and customer loyalty.

It's a point of differentiation:- In a competitive marketplace where businesses compete for customers; customer satisfaction is seen as a key differentiator. Businesses who succeed in these cut - throat environments are the ones that make customer satisfaction a key element of their business strategy. Picture two is businesses that offer the exact same product. What will make you choose one over the other? If you had a recommendation for one business would that sway your opinion? Probably, so how does that recommendation originally start? More than likely it's on the back of a good customer experience. Companies who offer amazing customer experiences create environments where

satisfaction is high and customer advocates are plenty. This is an example of where customer satisfaction goes full circle. Not only can customer satisfaction help you keep a finger on the pulse of your existing customers. It can also act as a point of differentiation for new customers (Luo, 2017).

It reduces customer churn:- An Accenture global customer satisfaction report (2018) found that price is not the main reason for customer churn; it is actually due to the overall poor quality of customer service. Customer satisfaction is the metric you can use to reduce customer churn. By measuring and tracking customer satisfaction you can put new processes in a place to increase the overall quality of your customer services. I recommend you put an emphasis on exceeding customer expectations and 'wowing' customers at every opportunity. Do that for six months, then measure customer satisfaction again. See whether your new initiatives have had a positive or negative impact on satisfaction.

It increases customer life time value:- A study by InfoQuest found that a 'totally satisfied customer' contributes 2-6 times more revenue than a 'somewhat satisfied customer'. Furthermore a 'totally satisfied customer' contributes 14 times more revenue than a 'somewhat dissatisfied customer'. Satisfaction plays a significant role in how much revenue a customer generates for your business. Successful businesses understand the importance of customer lifetime value. If you increase CLV, you increase the returns on your marketing dollar. Customer lifetime value is a beneficiary of high customer satisfaction and good customer retention.

It reduces negative word of mouth:- McKinsey found that an unhappy customer tells between 9-15 people about their experience. In fact, 13% of unhappy customers tell over 20 people about their experience. That's a lot of negative word of mouth. How much will that affect your business and its reputation in your industry? Customer satisfaction is tightly linked to revenue and repeat purchases. What often gets forgotten is how customer satisfaction negatively impacts your business. It's one thing to lose a customer because they were unhappy. It's another thing completely to lose 20 customers because of some bad word of mouth. To eliminate bad word of mouth you need to measure customer satisfaction on an ongoing basis. Tracking changes in satisfaction will help you identify if customers are actually happy with your product or services (Barbara, 2017).

It's cheaper to retain customers than acquire new ones:- This is probably the most publicized customer satisfaction statistic out there. It costs six to seven times more to acquire new customers than it does to retain existing customers. If that stat does not strike accord with you then there's not much else I can do to demonstrate why customer satisfaction is important. Customer cost a lot of money to acquire you and your marketing team spend thousands of dollars getting the attention of prospects, nurturing them in to leads and closing them in to sales. Why is it that you then spend little or no money on customer retention?

(Barbara, 2017).

2.1.8 Relationship between Internal Environment and Organisational Performance

An organization's internal environment consists of the trading status of the business, its finances, physical resources, staff and management skills, operational and control systems, stakeholders' interests, policies and procedures. Duncan (2017) and Williams (2019) assert that the internal environment of any organization comprises firm-related factors that influence its capacity to achieve set objectives, develop and implement a viable plan, which consequently contributes to its performance (Amoako-Gyampah, 2003; Ghani, Nayan, Ghazali&Shafie, 2018). Waterman, Peters and Julien (2017) describe internal environment as key internal aspects that need to be aligned within an organization for improved performance or effective change implementation. Internal environment can also be described as those internal controllable forces operating within the organization itself that have a direct impact on an organization's performance. These include financial resources, information and knowledge, firm's capabilities, incentives, organizational demographics such as size, inter-institutional linkages, company's objectives, goals and employees' skills (Freeman & Reid, 2016).

Whereas the operationalization of an organization's internal environment remains varied, there is consensus among scholars that internal environment is a key determinant of an organization's performance. Internal environmental forces provide strengths and weaknesses to the business (Tolbert & Hall, 2019). The aspects forming the internal environment of an organization provide an enabling environment for an organization to

achieve its objectives. McKinsey's conceptualization of organizational internal environment highlights strategy, structure, skills, staff, systems, shared values and style as the key internal factors that influence performance of organizations (Waterman et al., 1980). Consequently, firms' are said to operate within a social framework of norms, values and assumptions, which eventually influences their performance and competitive advantage (Oliver, 2017). The human capital of the firm refers to the knowledge, skills and abilities that employees possess and use in their work. Studies of employee human capital have found its direct positive effects on firm performance (McKelvie & Davidson, 2019). Performance of an organization is dependent on the degree to which the values of the culture are comprehensively shared (Denison, 2018).

2.2 Theoretical Framework

A theory is an idea or set of ideas that is intended to explain facts or events (Merriam, 2018). There are many theories of business environment such theory includes; environmental responsible behavior (ERB), environmental citizenship theory and system theory.

2.2.1 Environmental Responsible Behavior (ERB) Theory

The ERB theory was proposed by Hines, Hungerford and Tomera. The model argues that possessing an intention of acting is a major factor influencing ERB. The Model of Responsible Environmental Behavior indicates that the following variables; intention to act, locus of control (an internalized sense of personal control over the events in one's own

life), attitudes, sense of personal responsibility, and knowledge suggested whether a person would adopt a behavior or not.

2.2.2 The Environmental Citizenship Theory

The environmental citizenship theory was proposed by Hungerford and Volk. The Hungerford Volk Model arrays three stages of educational involvement ranging from first exposure (entry) to real involvement (empowerment), and then suggests that each stage has certain knowledge and attitude characteristics. In the Environmental Citizenship Model, Hungerford and Tomera grouped the variables that influence whether a person takes action into three categories, these are; Entry-level variables: such as general sensitivity to and knowledge of the environment, Ownership variables: including in-depth knowledge, personal commitment, and resolve, Empowerment variables? Such as action skills, locus of control, and intention to act.

2.2.3 System Theory

System theory on the other hand was proposed in the 1940s by the biologist Ludwig Von Bertalanffy. It is the interdisciplinary study of systems, which are cohesive groups of interrelated, interdependent parts that can be natural or human-made. Every system is bounded by space and time, influenced by its environment, defined by its structure and purpose, and expressed through its functioning. A system may be more than the sum of its parts if it expresses synergy or emergent behavior.

Changing one part of a system may affect other parts or the whole system. It may be possible to predict these changes in patterns of behavior. For systems that learn and adapt, the growth and the degree of adaptation depend upon how well the system is engaged with its environment. Some systems support other systems, maintaining the other system to prevent failure. The goals of systems theory are to model a system's dynamics, constraints, conditions, and to elucidate principles (such as purpose, measure, methods, tools) that can be discerned and applied to other systems at every level of nesting, and in a wide range of fields for achieving optimized equifinality.

2.2.4 Application of System Theory

Thus, this study adopts systems theory because it is all about developing broadly applicable concepts and principles, as opposed to concepts and principles specific to one domain of knowledge. It distinguishes dynamic or active systems from static or passive systems. Active systems are activity structures or components that interact in behaviors and processes. Passive systems are structures and components that are being processed. For example, a program is passive when it is a disc file and active when it runs in memory. The field is related to systems thinking, machine logic, and systems engineering.

2.3 Empirical review

Mansour (2019) researched environmental scanning mechanism and its effects on the performance: evidence from UAE. The study aims at figuring out relationships between performance (as measured by ROE and PM) and demographics, interest in scanning, kinds

of scanning, scanning frequency, sources of scanning (impersonal and personal), and obstacles of scanning. Experiences of 292 UAE executives have been used to fulfill these objectives. Via SPSS package release ten and seventeen, multivariate analysis (e.g. Multiple Regression), bivariate analysis (e.g. WSRT), and univariate analysis (e.g. descriptive analysis like mean, percentage, and sum) were conducted to explore the network of relationships amongst variables. Significant relationships between performance (as measured ROE) and interest in scanning, scanning frequency, sources of scanning (impersonal), and obstacles of scanning are existed. Significant relationships between performance (as measured by PM) and interest in scanning, scanning frequency, sources of scanning (personal), and sources of scanning (impersonal) are also existed. Finally, the current study revealed that UAE businesses are conducting regular, proactive, and hoc scanning more often than irregular, reactive, and primitive scanning.

Also, Suleiman & Ahmad (2017) examined environmental analysis and its impact on the competitive capabilities of the commercial banks operating in Jordan. The study population consisted of the general managers, and their assistant of the commercial banks operating in Jordan that amount (10) banks that estimated (93) managers. The Unit of Analysis included the whole population that estimated (93) managers. To achieve the objectives of the study, statistical analytical method was used through A questionnaire that used a major tool for data collection developed at the hands of elite researchers and writers in the field of management, which consisted of (51) items. A number of statistical tools and methods were used such as Mean, Standard Deviation, and Multiple Regression. After the analysis

of the collected data and hypotheses, the result of the study showed that there was a significant impact of Environmental analysis represented by (strength, weakness, threats and opportunity) on the competitive Capabilities of the commercial banks operating in Jordan at level (0.05). Based on the study results the researcher recommends the banks manager to concentrate on the study and analysis of information as one of the most important sources of competitiveness and to make interest how to reduce costs as reflected in the price of the service provided.

In addition, Lawrence (2017) examined the impact of environmental scanning on the Performance of small and medium retail enterprises in Harare. A quantitative study was conducted which used the survey as the research strategy. A self-administered questionnaire was used as the research instrument for data collection. A total of 150 Retail SMEs in Harare were sampled using simple random sampling technique. The respondents were selected from Retail SMEs owners/managers who were present at their workplaces. The data processing was done using SPSS, correlation and regression analysis were applied to test the relationship between the variables. The research study results showed a strong positive relation between environmental scanning and performance of retail SMEs in Harare. It was recommended that Retail SMEs in Harare should conduct environmental scanning as it leads to increased business performance. They should increase the frequency of scanning, collect information from a wide range of sources and fully utilize the scanning techniques such as SWOT and PEST analysis. The researcher suggested further research

studies to incorporate different business sectors like manufacturing, travel and hospitality and mining.

2.4 Research gap

There are many literatures on the concept of internal environment and organizational performance. Some of the research examined the impact of environmental scanning on the business performance, while others assessed its impact on the competitive capabilities. But above all these, none has examined the effect of internal environmental factors on organizational performance a study of KAM holding company in Ilorin Kwara state which is the gap identified in this study.

CHAPTER THREE

METHODOLOGY

3.0 Preamble

This chapter explains the procedures or techniques used to identify, select, process, and analyze information and it will be discussed under the following headings: research design, population of the study, sample size and sampling techniques, sources of data, research instrument, validity and reliability of research instrument, procedures for data collection, method of data analysis, and model specification.

3.1 Research Design

This study will employ survey design because it takes into account all the steps involved in a survey concerning a phenomenon to be studied. Also, this survey design will be used to examine the effects of internal environmental factor on organizational performance.

3.2 Population of the Study

The population of this study is finite. It focuses on the total staff of KAM holding in Ilorin, Kwara state Nigeria. According to the HR personnel the total population is one thousand six hundred and twenty-one (1,621).

3.3 Sampling Size and Sampling Techniques

This research will use stratified sampling techniques to group the population into strata and then simple random techniques will be used to select sample for the study. In order to carve out sample from the total population, Taro Yamane statistical tools will be employed. This technique was used because it is the most widely used in social sciences research and also because it is easy to calculate and straight forward in calculation. The formula is given below:

$$n = \frac{N}{1 + N(E)^2}$$

Where;

n=sample size

N= population of the study

E = error term

$$n = \frac{1,621}{1 + 1,621(0.05)^2}$$

$$n = 1,621$$

5.1

n= 318

Thus, the sample size for this study is three hundred and eighteen (318).

3.4 Sources of Data

For the purpose of this study, primary source will be adopted. The primary data will be sourced using questionnaire. The copies of questionnaire will be distributed directly to the target respondents within the population. All advantages will be fully utilized whilst the shortcomings will be guided against so as to make it free from bias and ensure good generalization.

3.5 Research Instruments

This study will make use of questions which reflects the study objectives and research questions. The first part of the questionnaire will collect demographic data of the respondents such as age group, gender and department. The second part will be concerned with the effects of internal environment on organizational performance. There were five multiple choice options representing five levels of preference that is; strongly agree, agree, undecided, strongly disagree and disagree.

3.6 Validity and Reliability of Research Instrument

Content validity of the instrument will be done by expert review where the project supervisor will be given the draft to check for clarity, readability, understandability, scope and purpose to ensure the instrument covers all constructs' items it is supposed to measure.

The instrument reliability of this research focus on the consistency of the instrument. The study will use cronbach's alpha to check the reliability of the study. Cronbach's alpha is the most common measure of internal consistency (reliability). It is most commonly used when there is multiple Likert in a survey/questionnaire that form a scale to determine it reliability.

3.7 Method of Data Collection

The procedure that will be followed to collect data in this study is primary source. Questionnaires will be administered by the researcher to the respondents of Kam Holding Company and it will be collected after completion.

3.8 Method of Data Analysis

Data will be statistically analyzed after being collected from the field. The data generated from the field of study will be presented using descriptive and inferential statistical techniques will be used. Multiple linear regression analysis will also be used to analyse the relationships between the conjectural statements stated.

3.9 Model Specification

H₀₁, H₀₂, H₀₃ will be analyzed using the following model below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n$$

Ho₁- there is no significant impact of organizational culture on customer satisfaction

$$CS = \beta_0 + \beta_1 BH + \beta_2 ATT + \beta_3 VA$$

Where:

CS= Customer satisfaction (dependent variable)

β_1, \dots, β_3 = coefficient

β_0 = constant

X_1 = organizational Behavior

X_2 = organizational Attitude

X_3 = organizational Value

e = error term

Ho₂- there is no significant effect of organizational structure on employee's performance

$$EP = \beta_0 + \beta_1 RE + \beta_2 TS + \beta_3 DU$$

Where:

EP= Employees performance (dependent variable)

β_1, \dots, β_3 = coefficient

B_0 = constant

X_1 = Responsibility

X_2 = Task

X_3 = Duties

e = error term

H_{03} - there is no significant influence of organizational resources on competitive advantage

$$EP = \beta_0 + \beta_1 MP + \beta_2 EG + \beta_3 RA$$

Where: CA= Competitive advantage (dependent variable)

B_1, \dots, β_3 = coefficient

B_0 = constant

X_1 = Human resources

X_2 = Materials resources

X_3 = Financial resources

e = error term.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATIONS

4.1 Preamble

In this chapter, data gathered through questionnaire are presented, analyzed and interpreted using percentages and frequencies with the help of Statistical Package for Social Science (SPSS) version 23. The total of (three hundred and eighteen) 318 structured questionnaires were administered to the staff of Kam industry Ilorin, 303 of the filled questionnaires were returned and fitted for the study.

4.2 Presentation and Analysis of Socio-Demographic Characteristics of the Respondents

Table 4.2.1 : Age of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
20-34	58	19.1	19.1	19.1
35-44	184	60.7	60.7	79.9
45-54	52	17.2	17.2	97.0
55 and above	9	3.0	3.0	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.2.1 shows that (58) respondents representing 19.1% fall within the age of 20-34 years, (184) respondents representing 60.7% fall within the age of 35-44, (52) respondents representing 17.2% fall within the age of 45-54 while (9) respondents representing 3.0% fall within the age of 55 years and above it shows that majority of the respondents fall

within the age of 35-44 and implies that the bulk of the workforce is within the productive age.

Table 4.2.2: Gender of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
male	254	83.8	83.8	83.8
Valid female	49	16.2	16.2	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.2.2 shows that (254) respondents representing 83.8% fall were male while (49) respondents representing 16.2% were female .it shows that majority of the respondents were males and implies that the natures of activities going on in KAM industry Ilorin were mostly for male, especially in the area of ongoing learning and development for a long period of time.

Table 4.2.3: Educational qualification of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
SSCE	165	54.5	54.5	54.5
OND/NCE	69	22.8	22.8	77.2
Valid B.sc/HND	65	21.5	21.5	98.7
M.sc	4	1.3	1.3	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.2.3 shows that (165) respondents representing 54.5% had certificate in SSCE, (69) respondents representing 22.8% had certificate in OND/NCE, (65) respondents representing 21.5% had certificate in B.sc/HND while (4) respondents representing 1.3% had certificate in M.sc. it shows that majority of the respondents had certificate in SSCE and implies that This implies that the sampled firm (Kam industry, Ilorin Kwara State) has

a critical mass of highly skilled labors that have the requisite knowledge that is needed for competition and to excel in the manufacturing sector.

Table 4.2.4: marital status of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
married	60	19.8	19.8	19.8
single	242	79.9	79.9	99.7
divorced	1	.3	.3	100.0
Total	303	100.0	100.0	

Source: field survey 2022

Table 4.2.4 shows that (60) respondents representing 19.8% were married, (242) respondents representing 79.9% were single while (1) respondent representing 0.3% is divorced. It shows majority of the respondents were single and implies that their marital status does not affects their work performance and they are committed to duty and lack frustration from family.

Table 4.2.5: level of management

	Frequency	Percent	Valid Percent	Cumulative Percent
Top	18	6	6	6
Middle	48	16	16	22
Low	237	78	78	100.0
Total	303	100.0	100.0	

Source: field survey 2022

Table 4.2.4 shows that (6) respondents representing 6% were at the top level management, (48) respondents representing 16% were at the middle level management while (237) respondent representing 78% where are the low level management. It shows majority of the respondents were at the low level management.

4.3 Analysis of Questionnaire

Table 4.3.1: A supportive culture will reduce employee stress and lead to a happier workforce

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	19	6.3	6.3	6.3
Disagree	27	8.9	8.9	15.2
Undecided	36	11.9	11.9	27.1
Agree	108	35.6	35.6	62.7
strongly agree	113	37.3	37.3	100.0
Total	303	100.0	100.0	

Source: Source: Researchers computation, 2022

Table 4.3.1 shows the distribution of respondents by their responses to the statement revolving around “A supportive culture will reduce employee stress and lead to a happier workforce”. In relation to this statement, as shown in Table 4.3.1, 6.3% of the respondents

marked Strongly Disagree, 8.9% of the respondents marked disagree, 11.9% marked undecided, 35.6% marked Agree while 37.3% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that a supportive culture will reduce employee stress and lead to a happier workforce.

Table 4.3.2: Employees feel delighted when they are valued

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	12	4.0	4.0	4.0
Disagree	13	4.3	4.3	8.3
Undecided	22	7.3	7.3	15.5
Valid Agree	171	56.4	56.4	71.9
strongly agree	85	28.1	28.1	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.2 shows the distribution of respondents by their responses to the statement revolving around “Employees feel delighted when they are valued”. In relation to this statement, as shown in Table 4.3.2, 4.0% of the respondents marked Strongly Disagree,

4.3% of the respondents marked disagree, 7.3% marked undecided, 56.4% marked Agree while 28.1% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that employees feel delighted when they are valued.

Table 4.3.3: Human behavior is studied through organizational attitude

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	21	6.9	6.9	6.9
Disagree	33	10.9	10.9	17.8
Undecided	38	12.5	12.5	30.4
Valid Agree	153	50.5	50.5	80.9
strongly agree	58	19.1	19.1	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.3 shows the distribution of respondents by their responses to the statement revolving around “Human behavior is studied through organizational attitude”. In relation to this statement, as shown in Table 4.3.3, 6.9% of the respondents marked Strongly Disagree, 10.9% of the respondents marked disagree, 12.5% marked undecided, 50.5%

marked Agree while 19.1% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that human behavior is studied through organizational attitude.

Table 4.3.4: Having a positive attitudes helps employees to take better decision

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	10	3.3	3.3	3.3
Disagree	20	6.6	6.6	9.9
Undecided	16	5.3	5.3	15.2
Agree	117	38.6	38.6	53.8
strongly agree	140	46.2	46.2	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.4 shows the distribution of respondents by their responses to the statement revolving around “Having a positive attitudes helps employees to take better decision”. In relation to this statement, as shown in Table 4.3.4, 6.9% of the respondents marked

Strongly Disagree, 10.9% of the respondents marked disagree, 12.5% marked undecided, 50.5% marked Agree while 19.1% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that having a positive attitudes helps employees to take better decision

Table 4.3.5: Patronage and loyalty is attained when customer have a sense of being valued

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	17	5.6	5.6	5.6
Disagree	25	8.3	8.3	13.9
Undecided	39	12.9	12.9	26.7
Valid Agree	123	40.6	40.6	67.3
strongly agree	99	32.7	32.7	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.5 shows the distribution of respondents by their responses to the statement revolving around “Patronage and loyalty is attained when customer have a sense of being

valued”. In relation to this statement, as shown in Table 4.3.5, 5.6% of the respondents marked Strongly Disagree, 8.3% of the respondents marked disagree, 12.9% marked undecided, 60.6% marked Agree while 32.7% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Patronage and loyalty is attained when customer have a sense of being valued.

Table 4.3.6: Organisational culture increases employee productivity

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	16	5.3	5.3	5.3
disagree	11	3.6	3.6	8.9
undecided	22	7.3	7.3	16.2
Valid agree	121	39.9	39.9	56.1
strongly agree	133	43.9	43.9	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.6 shows the distribution of respondents by their responses to the statement revolving around “Organizational culture increases employee productivity”. In relation to

this statement, as shown in Table 4.3.6, 5.3% of the respondents marked Strongly Disagree, 3.6% of the respondents marked disagree, 7.3% marked undecided, 39.9% marked Agree while 43.9% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that organizational culture increases employee productivity.

Table 4.3.7: Effective communication improves relationship between customers and the organisation

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	12	4.0	4.0	4.0
disagree	19	6.3	6.3	10.2
undecided	23	7.6	7.6	17.8
Agree	142	46.9	46.9	64.7
strongly agree	107	35.3	35.3	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.7 shows the distribution of respondents by their responses to the statement revolving around “Effective communication improves relationship between customers and the organisation

”. In relation to this statement, as shown in Table 4.3.7, 5.3% of the respondents marked Strongly Disagree, 3.6% of the respondents marked disagree, 7.3% marked undecided, 39.9% marked Agree while 43.9% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that effective communication improves relationship between customers and the organization.

Table 4.3.8: Customers are satisfied when their needs are met

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	6	2.0	2.0	2.0
disagree	8	2.6	2.6	4.6
undecided	21	6.9	6.9	11.6
Agree	155	51.2	51.2	62.7
strongly agree	113	37.3	37.3	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.8 shows the distribution of respondents by their responses to the statement revolving around “Customers are satisfied when their needs are met”. In relation to this statement, as shown in Table 4.3.8, 5.3% of the respondents marked Strongly Disagree, 3.6% of the respondents marked disagree, 7.3% marked undecided, 39.9% marked Agree while 43.9% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Customers are satisfied when their needs are met.

Table 4.3.9: The responsibility of an organization towards its employees is to ensure that they are happy and satisfied in their jobs

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	21	6.9	6.9	6.9
Disagree	12	4.0	4.0	10.9
Undecided	47	15.5	15.5	26.4
Agree	124	40.9	40.9	67.3
strongly agree	99	32.7	32.7	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.9 shows the distribution of respondents by their responses to the statement revolving around “The responsibility of an organization towards its employees is to ensure that they are happy and satisfied in their jobs”. In relation to this statement, as shown in Table 4.3.9, 6.9% of the respondents marked Strongly Disagree, 4.0% of the respondents marked disagree, 15.5% marked undecided, 40.9% marked Agree while 32.7% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that the responsibility of an organization towards its employees is to ensure that they are happy and satisfied in their jobs.

Table 4.3.10: Employees should report unsafe work practices to the management of the organisation

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	10	3.3	3.3	3.3
Disagree	23	7.6	7.6	10.9
undecided	22	7.3	7.3	18.2
Agree	92	30.4	30.4	48.5
Valid				

strongly agree	156	51.5	51.5	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.10 shows the distribution of respondents by their responses to the statement revolving around “Employees should report unsafe work practices to the management of the organisation”. In relation to this statement, as shown in Table 4.3.10, 5.3% of the respondents marked Strongly Disagree, 3.6% of the respondents marked disagree, 7.3% marked undecided, 30.4% marked Agree while 51.5% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that employees should report unsafe work practices to the management of the organization.

Table 4.3.11: Organizing is a management task that will make all organizational differentiations to work as one

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	18	5.9	5.9	5.9
Valid Disagree	40	13.2	13.2	19.1
Undecided	25	8.3	8.3	27.4

Agree	92	30.4	30.4	57.8
strongly agree	128	42.2	42.2	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.11 shows the distribution of respondents by their responses to the statement revolving around “Organising is a management task that will make all organizational differentiations to work as one”. In relation to this statement, as shown in Table 4.3.11, 5.9% of the respondents marked Strongly Disagree, 13.2% of the respondents marked disagree, 8.3% marked undecided, 30.4% marked Agree while 42.2% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Organizing is a management task that will make all organizational differentiations to work as one.

Table 4.3.12: Division of task reduces workers boredom

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	6	2.0	2.0	2.0
Valid Disagree	12	4.0	4.0	5.9

Undecided	25	8.3	8.3	14.2
Agree	131	43.2	43.2	57.4
strongly agree	129	42.6	42.6	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.12 shows the distribution of respondents by their responses to the statement revolving around “Division of task reduces workers boredom”. In relation to this statement, as shown in Table 4.3.12, 2.0% of the respondents marked Strongly Disagree, 4.0% of the respondents marked disagree, 8.3% marked undecided, 43.2% marked Agree while 42.6% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Division of task reduces workers boredom.

Table 4.3.13: Specialization of job functions increases work efficiency

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	8	2.6	2.6	2.6
Valid Disagree	24	7.9	7.9	10.6

undecided	19	6.3	6.3	16.8
Agree	151	49.8	49.8	66.7
strongly agree	101	33.3	33.3	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.13 shows the distribution of respondents by their responses to the statement revolving around “Specialization of job functions increases work efficiency”. In relation to this statement, as shown in Table 4.3.13, 2.6% of the respondents marked Strongly Disagree, 7.9% of the respondents marked disagree, 6.3% marked undecided, 49.8% marked Agree while 33.3% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Specialization of job functions increases work efficiency.

Table 4.3.14: Employees work are to be structured and organized to improve job satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	4	1.3	1.3	1.3

Disagree	8	2.6	2.6	4.0
undecided	31	10.2	10.2	14.2
Agree	134	44.2	44.2	58.4
strongly agree	126	41.6	41.6	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.14 shows the distribution of respondents by their responses to the statement revolving around “Employees work are to be structured and organized to improve job satisfaction”. In relation to this statement, as shown in Table 4.3.14, 1.3% of the respondents marked Strongly Disagree, 2.6% of the respondents marked disagree, 10.2% marked undecided, 44.2% marked Agree while 41.6% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Employees work are to be structured and organized to improve job satisfaction.

Table 4.3.15: Well-structured organization increases employee satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	6	2.0	2.0	2.0

disagree	16	5.3	5.3	7.3
undecided	24	7.9	7.9	15.2
agree	80	26.4	26.4	41.6
strongly agree	177	58.4	58.4	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.15 shows the distribution of respondents by their responses to the statement revolving around “Well-structured organization increases employee satisfaction”. In relation to this statement, as shown in Table 4.3.14, 2.0% of the respondents marked Strongly Disagree, 5.3% of the respondents marked disagree, 7.9% marked undecided, 26.4% marked Agree while 58.4% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Well-structured organization increases employee satisfaction.

Table 4.3.16: High employee performance boost employees retention

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	4	1.3	1.3	1.3

Disagree	16	5.3	5.3	6.6
Undecided	19	6.3	6.3	12.9
Agree	110	36.3	36.3	49.2
strongly agree	154	50.8	50.8	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.16 shows the distribution of respondents by their responses to the statement revolving around “High employee performance boost employees retention”. In relation to this statement, as shown in Table 4.3.16, 1.3% of the respondents marked Strongly Disagree, 5.3% of the respondents marked disagree, 6.3% marked undecided, 36.3% marked Agree while 50.8% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that high employee performance boost employees retention.

Table 4.3.17: Labour turnover is reduced when adequate resources is provided to employees

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	strongly disagree	5	1.7	1.7	1.7
	disagree	16	5.3	5.3	6.9
	undecided	20	6.6	6.6	13.5
	Agree	156	51.5	51.5	65.0
	strongly agree	106	35.0	35.0	100.0
	Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.17 shows the distribution of respondents by their responses to the statement revolving around “Labour turnover is reduced when adequate resources is provided to employees”. In relation to this statement, as shown in Table 4.3.17, 1.7% of the respondents marked Strongly Disagree, 5.3% of the respondents marked disagree, 6.6% marked undecided, 51.5% marked Agree while 35.0% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that labour turnover is reduced when adequate resources is provided to employees.

Table 4.3.18: Utilization of company resources helps to reduce burnout and stress

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	4	1.3	1.3	1.3
disagree	15	5.0	5.0	6.3
undecided	18	5.9	5.9	12.2
Valid agree	126	41.6	41.6	53.8
strongly agree	140	46.2	46.2	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.18 shows the distribution of respondents by their responses to the statement revolving around “Utilization of company resources helps to reduce burnout and stress”. In relation to this statement, as shown in Table 4.3.18, 1.7% of the respondents marked Strongly Disagree, 5.3% of the respondents marked disagree, 6.6% marked undecided, 51.5% marked Agree while 35.0% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Utilization of company resources helps to reduce burnout and stress.

Table 4.3.19: Inventory management reduces stock-out cost

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	11	3.6	3.6	3.6
Disagree	22	7.3	7.3	10.9
Undecided	19	6.3	6.3	17.2
Agree	126	41.6	41.6	58.7
strongly agree	125	41.3	41.3	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.19 shows the distribution of respondents by their responses to the statement revolving around “Inventory management reduces stock-out cost”. In relation to this statement, as shown in Table 4.3.19, 3.6% of the respondents marked Strongly Disagree, 7.3% of the respondents marked disagree, 6.3% marked undecided, 41.6% marked Agree while 41.3% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Inventory management reduces stock-out cost.

Table 4.3.20: Material planning smoothens capacity utilization and allocates correct time to product as per demand forecast

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	7	2.3	2.3	2.3
Disagree	6	2.0	2.0	4.3
Undecided	32	10.6	10.6	14.9
Valid Agree	175	57.8	57.8	72.6
strongly agree	83	27.4	27.4	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.20 shows the distribution of respondents by their responses to the statement revolving around “Material planning smoothens capacity utilization and allocates correct time to product as per demand forecast”. In relation to this statement, as shown in Table 4.3.20, 2.3% of the respondents marked Strongly Disagree, 2.0% of the respondents marked disagree, 10.6% marked undecided, 57.8% marked Agree while 27.4% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Material planning smoothens capacity utilization and allocates correct time to product as per demand forecast.

Table 4.3.21: Organization operations is fueled with money

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	1	.3	.3	.3
Disagree	7	2.3	2.3	2.6
undecided	10	3.3	3.3	5.9
Valid Agree	169	55.8	55.8	61.7
strongly agree	116	38.3	38.3	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.21 shows the distribution of respondents by their responses to the statement revolving around “Organization operations is fueled with money”. In relation to this statement, as shown in Table 4.3.21, 2.3% of the respondents marked Strongly Disagree, 2.0% of the respondents marked disagree, 10.6% marked undecided, 57.8% marked Agree while 27.4% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that organization operations is fueled with money.

Table 4.3.22: Money generated by business is used for capital investment

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	14	4.6	4.6	4.6
Disagree	27	8.9	8.9	13.5
Undecided	22	7.3	7.3	20.8
Valid Agree	100	33.0	33.0	53.8
strongly agree	140	46.2	46.2	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.22 shows the distribution of respondents by their responses to the statement revolving around “Money generated by business is used for capital investment”. In relation to this statement, as shown in Table 4.3.22, 4.6% of the respondents marked Strongly Disagree, 8.9% of the respondents marked disagree, 7.3% marked undecided, 33.0% marked Agree while 46.2% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Money generated by business is used for capital investment.

Table 4.3.23:Competitive advantage is achieved through good organisational culture

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	3	1.0	1.0	1.0
Disagree	6	2.0	2.0	3.0
Undecided	11	3.6	3.6	6.6
Valid Agree	102	33.7	33.7	40.3
strongly agree	181	59.7	59.7	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.23 shows the distribution of respondents by their responses to the statement revolving around “Competitive advantage is achieved through good organisational culture”. In relation to this statement, as shown in Table 4.3.23, 1.0% of the respondents marked Strongly Disagree, 2.0% of the respondents marked disagree, 3.6% marked undecided, 33.7% marked Agree while 59.7% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that Competitive advantage is achieved through good organizational culture.

Table 4.3.24: Organizational performance is improved when a firm gains competitive edge above its rivals.

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	10	3.3	3.3	3.3
Disagree	20	6.6	6.6	9.9
Undecided	16	5.3	5.3	15.2
Valid Agree	117	38.6	38.6	53.8
strongly agree	140	46.2	46.2	100.0
Total	303	100.0	100.0	

Source: Researchers computation, 2022

Table 4.3.24 shows the distribution of respondents by their responses to the statement revolving around “Organizational performance is improved when a firm gains competitive edge above its rivals.”. In relation to this statement, as shown in Table 4.3.24, 3.3% of the respondents marked Strongly Disagree, 6.6% of the respondents marked disagree, 5.3% marked undecided, 38.6% marked Agree while 46.2% of the respondents marked strongly agree. It implies that majority of the respondents are of the opinion that organizational performance is improved when a firm gains competitive edge above its rivals.

4.4 Test of Hypotheses

H₀₁: Organizational culture does not have any impact on customer satisfaction

Objective 1: To examine the influence of organizational culture on customer satisfaction

Table 4.4.1.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.892	.795	.782	.505

Source: Researchers computation, 2022

Table 4.4.2a presents the model summary. It shows that the correlation coefficient r is .892(i.e. $r = 0.892$) which indicates that there exists a very strong positive linear relationship between customers satisfaction (dependent variable) and organizational culture (Independent variable). It is also crystal clear from the table 4.4.2a that the r^2 which is the coefficient of determination is 0.795 approximately 80%. This implies that 80% of customer's satisfaction can be explained by organizational culture while the remaining 20% are variables that are not captured in the model.

Table4.4.1.2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	47.522	3	15.841	62.083	.000
	Residual	12.247	48	.255		
	Total	59.769	51			

Source: Researchers computation, 2022

Table 4.4.3b shows that the analysis of variance of the fitted regression equation is significant with F value of 62.083; this is an indication that the model is fit. Since the p-value is less than 0.05, it shows a statistically significant relationship between the variables at 95 percent confidence level.

Table 4.4.1.2: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.421	.247		1.703	.000

Organizational behavior	.022	.551	.022	.039	.013
Organizational attitude	.016	.206	.000	.000	.000
Organizational values	.868	.518	.870	1.676	.000

Source: Researchers computation, 2022

a. Dependent Variable: customers satisfaction

The table above shows the estimated coefficient of the variables included in the regression model, standard error, calculated t-value and p-value. The coefficients of the individual independent variable indicated that Organizational behavior (0.013), Organizational attitude (0.000) and Organizational values (0.000) have a significant influence on customer's satisfaction. The t-statistics value of (0.030) for Organizational behavior, (0.000) for Organizational attitude and (1.676) for Organizational values and Beta standard coefficients (0.22) for Organizational behavior, (0.000) for Organizational attitude and (0.870) for Organizational values further suggest that there is a significant relationship between organizational culture and customers satisfaction. Since alpha level of 0.05 is greater than the p-value of the variables. The conclusion therefore is that the null hypothesis

is rejected while the alternative hypothesis is accepted, which state that organizational culture has a significant effect on customers satisfaction.

H₀₂: Organizational structure does not have any significant influence on employee performance

Objective 2: To determine how organizational structure influence employee performance

Table 4.4.2.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821	.673	.653	.550

Source: Researchers computation, 2022

Table 4.4.2a presents the model summary. It shows that the correlation coefficient r is .821(i.e. $r = 0.821$) which indicates that there exists a very strong positive linear relationship between employees performance (dependent variable) and organizational structure (Independent variable). It is also crystal clear from the table 4.4.2a that the r^2 which is the coefficient of determination is 0.673 approximately 67%. This implies that 67% of employee's performance can be explained by organizational structure while the remaining 23% are variables that are not captured in the model.

Table 4.4.2.2: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.976	3	9.992	32.980	.000
	Residual	14.543	48	.303		
	Total	44.519	51			

Source: Researchers computation, 2022

Table 4.4.2.2 shows that the analysis of variance of the fitted regression equation is significant with F value of 32.980; this is an indication that the model is fit. Since the p-value is less than 0.05, it shows a statistically significant relationship between the variables at 95 percent confidence level.

Table 4.4.2.3: Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.

	B	Std. Error	Beta		
(Constant)	.466	.387		1.205	.000
1 Responsibility	.640	.190	.613	3.366	.002
Task	.145	.237	.132	.614	.042
Duty	.104	.220	.099	.470	.001

Source: Researchers computation, 2022

a. Dependent Variable: employees performance

The table above shows the estimated coefficient of the variables included in the regression model, standard error, calculated t-value and p-value. The coefficients of the individual independent variable indicated that responsibility (0.002), task (0.042) and duty (0.001) have a significant influence on employee's performance. The t-statistics value of (3.366) for responsibility (0.614) for task and (.470) for duty and Beta standard coefficients (0.613) for responsibility, (0.132) for task and (0.099) for duty further suggest that there is a significant relationship between organizational structure and employees performance. Since alpha level of 0.05 is greater than the p-value of the variables. The conclusion therefore is that the null is rejected while the alternative hypothesis is accepted, which state that organizational structure has a significant effect on employees performance.

H₀₃: Organizational resources does not have any significant effect on competitive advantage

Objective 3: To assess the effect of organizational resources on competitive advantage

Table 4.4.3.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.739 ^a	.546	.538	.900

Source: Researchers computation, 2022

Table 4.4.3a presents the model summary. It shows that the correlation coefficient r is .739(i.e. $r = 0.739$) which indicates that there exists a very strong positive linear relationship between competitive advantage (dependent variable) and organizational resources (Independent variable). It is also clear from the table 4.4.3a above that the r^2 which is the coefficient of determination is 0.547 approximately 55%. This implies that 55% of competitive advantage can be explained by organizational resources while the remaining 45% are variables that are not considered in the model.

Table 4.4.3.2: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.885	3	2.628	3.245	.029 ^b
	Residual	45.365	56	.810		
	Total	53.250	59			

Source: Researchers computation, 2022

Table 4.4.3b shows that the analysis of variance of the fitted regression equation is significant with F value of 3.245; this is an indication that the model is fit. Since the p-value is less than 0.05, it shows a statistically significant relationship between the variables at 95 percent confidence level.

Table 4.4.3.3: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.649	.602		6.059	.000
1 Human resources	.640	.268	.580	2.388	.020
Materials resources	.522	.226	.521	2.306	.025
Financial resources	.278	.172	.291	1.623	.010

Source: Researchers computation, 2022

a. Dependent Variable: competitive advantage

The table above shows the estimated coefficient of the variables included in the regression model, standard error, calculated t-value and p-value. The coefficients of the individual independent variable indicated that human resources (0.020), materials resources (0.025) and financial resources (0.010) have a significant effect on competitive advantage. The t-statistics value of (2.388) for human resources (2.306) for materials resources and (1.623) for financial resources and Beta standard coefficients (0.580) for human resources, (0.521) for materials resources and (0.291) for financial resources further suggest that there is a significant relationship between organizational resources and competitive advantage. Since alpha level of 0.05 is greater than the p-value of the variables. The conclusion therefore is

that the null is rejected while the alternative hypothesis is accepted, which state that organizational resources has a significant effect on competitive advantage.

4.5. Discussion of findings

Based on the analysis of operational data gathered via the field survey and the test of hypotheses, the following findings were revealed:

In examining the effects of organizational culture on customer's satisfaction, the study's result revealed that organizational behavior, organizational attitude and organizational values all have significant effect on customer's satisfaction. It is also clear from table 4.4.1 that the r^2 which is the coefficient of determination is 0.795 approximately 80%. This implies that organizational behavior, organizational attitude and organizational values, will account for 80% of customers satisfaction. It was however concluded in the table 4.4.1 that, since the significant values is less than 0.05 level of significance ($p < 0.05$), then the null hypothesis was rejected and the alternate hypothesis was accepted which state that organizational culture have significant effect on customers satisfaction. The finding of this study is in tandem with the findings of Suleiman & Ahmad (2017) where they concluded that organizational culture has significant impact on customer's satisfaction. This study shows that factors organizational behavior, organizational attitude and organizational values all have effects on customer's satisfaction.

The result of hypothesis two (H_{02}) indicated that there is a strong positive relationship between responsibility, task and duties, and employees performance. It is also obvious from

table 4.4.2 that the r^2 which is the coefficient of determination is 0.673 approximately 67%. This implies that responsibility, task and duties will account for 67% of employee's performance. It was however concluded in the table 4.4.2 that, since the significant values is less than 0.05 level of significance ($p < 0.05$), then the null hypothesis was rejected and the alternate hypothesis was accepted which state that organizational structure have significant effect on employees performance. The findings of this study is in tandem with the findings of Lawrence (2015) concluded that organizational structure has a significant effect on employees performance. This study shows that factors like responsibility, task and duties has effect on employees performance

It was equally discovered from the hypothesis three (H_{03}), the null hypothesis is rejected and the alternate which stated that human resources, materials resources and financial resources all have significant effect on competitive advantage was accepted. It is also obvious from table 4.4.3 that the r^2 which is the coefficient of determination is 0.875 approximately 88%. This implies that human resources, materials resources and financial resources will account for 88% of competitive advantage. It was however concluded in the table 4.4.3 that, since the significant values is less than 0.05 level of significance ($p < 0.05$), then the null hypothesis was rejected and the alternate hypothesis was accepted which state that organizational resources have significant effect on competitive advantage. The finding of this study is in tandem with the findings of Mansour (2019) concluded that organizational resources have significant effect on competitive advantage, this study shows

that factors like human resources, materials resources and financial resources all have significant effect on competitive advantage.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Preamble

This chapter entails the summary of the findings. It gives a precise and concise framework into effect of internal environmental factors on organizational performance. In particular, it makes conclusion from the analysis of statistical results, recommendation, suggestions and contribution to knowledge was made thereafter.

5.1 Summary of Findings

This study examined effect of internal environmental factors on organizational performance with particular reference to KAM holding company in Ilorin Kwara state. The internal environment not only influences the activities and choices of employees but also affects the behavior of employees within the organization. These factors influence the behavior of people working in the organization and also impact their ability to make decisions.

However, based on the data analysis, the findings showed that there is significant impact of organizational culture on customer satisfaction. A healthy or positive organizational culture encourages employee loyalty, productivity and commitment. It also helps develop brand identity with consumers.

The findings also showed that organizational structure influences employee performance. The main purpose of a firm structure is to help the organization work towards its goals. It

brings members of the organization together and demarcates functions between them. Secondly, the structure also helps in ensuring smooth and efficient functioning which in turn reduces time, money and efforts.

Lastly, it can be deduced from the study that organizational resources has a strong and significant effect on competitive advantage. Effectively managing resources helps companies more consistently deliver project and services on time. This is because better resource management helps improve insight into resource availability as well as improves timeline projections.

5.2 Conclusion

The business environment is a set of forces and conditions within and outside the organization's boundaries that have the potential to affect the way the organization operates. These forces and conditions change from time to time. Among these forces, the internal environment plays a significant role as it helps to coordinate the day to day affairs of the business.

Thus, based on the study findings it can be concluded that organizational culture affect customer satisfaction, organizational structure influences employee performance and organizational resources has a strong and significant effect on competitive advantage which in turn increases the organizational performance.

5.3 Recommendation

Based on the above findings and conclusion, it can be recommended that:

- i. Organizational managers should cultivate good habit, behavior and culture in order to satisfy their current and potential customers.
- ii. They should also structure their firms in a way that it will help enhance employee performance. This can be achieved through assigning task, duty and responsibility to the appropriate staff.
- iii. Lastly, they should utilize the organizational resources such as human, material and financial resources with the sole aim of gaining edge above rivals in the industry.

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APPENDIX

QUESTIONNAIRE

Department of Business and Entrepreneurship,

Faculty of Humanities, Management and Social Sciences,

Kwara state university Malete, Ilorin,

Kwara state, Nigeria,

Dear Respondents,

LETTER OF INTRODUCTION

I am a 400 level student of the above named institution; I am presently carrying out a research project titled: **Relevance of internal environmental on the Survival of Businesses in Manufacturing Sector**. A questionnaire has been developed essentially for the purpose of this research. Hence, your participation and invaluable contribution to the success of this study through the filling of the questionnaire given to you will be greatly appreciated. Since it is purely for academic purpose, your responses will be treated with strict confidentiality.

Thank you in anticipation of your kind cooperation and response.

Yours faithfully,

Sulaimon Asif Opeyemi
18/27BA/00828

SECTION A: RESPONDENT BIO DATA

INSTRUCTION: Please tick (✓) the following information as appropriate

Gender: Male () Female ()

Age: 20-34 () 35-44 years () 45-54 years ()
55 years and above ()

Marital status: Single () married () Widowed () divorced ()

Educational qualifications: SSCE () NCE () HND () BSE ()
Master ()

Level of management: Lower level () Middle level () Upper level ()

SECTION B

Scale responses to each item are measures on five point scale with the anchors label (1) strongly disagree, (2) disagree (3) undecided (4) agree (5) strongly agree.

Organisational Culture						
Organisational behavior						
S/N		SA	A	UD	D	SD
1	A supportive culture will reduce employee stress and lead to a happier workforce					
2	Employees feel delighted when they are valued					

Organisational attitude						
3	Human behavior is studied through organizational attitude					
4	Having a positive attitudes helps employees to take better decision					
Organisational value						
5	Patronage and loyalty is attained when customer have a sense of being valued					
6	Organisational culture increases employee productivity					
Customer Satisfaction						
S/N		SD	D	UD	A	SA
7	Effective communication improves relationship between customers and the organization					
8	Customers are satisfied when their needs are met					
Organisational Structure						
Responsibility						
S/N		SD	D	UD	A	SA
9	The responsibility of an organization towards its employees is to ensure that they are happy and satisfied in their jobs					

10	Employees should report unsafe work practices to the management of the organization					
Task						
S/N		SD	D	UD	A	SA
11	Organising is a management task that will make all organizational differentiations to work as one					
12	Division of task reduces workers boredom					
Duties						
S/N		SD	D	UD	A	SA
13	Specialisation of job functions increases work efficiency					
14	Employees work are to be structured and organized to improve job satisfaction					
Employees Performance						
S/N		SD	D	UD	A	SA
15	Well structured organization increases employee satisfaction					
16	High employee performance boost employees retention					
Organisational Resources						
Human resource						
S/N		SD	D	UD	A	SA

17	Labour turnover is reduced when adequate resources is provided to employees					
18	Utilisation of company resources helps to reduce burnout and stress					
Material Resource						
S/N		SD	D	UD	A	SA
19	Inventory management reduces stock-out cost					
20	Material planning smoothens capacity utilization and allocates correct time to product as per demand forecast					
Financial Resource						
S/N		SD	D	UD	A	SA
21	Organization operations is fueled with money					
22	Money generated by business is used for capital investment					
Competitive Advantage						
S/N	Items	SD	D	UD	A	SA
23	Competitive advantage is achieved through good organisational culture					
24	Organisational performance is improved when a firm gains competitive edge above its rivals.					

