#### **CHAPTER ONE**

#### INTRODUCTION

### 1.1 Background to the Study

The business operating environment all over the world is complex and dynamic due to many interconnected factors including globalization and advancement in technology. Meanwhile, every business organization is seen as a system that is available to everyone. This suggests that people interact with their environment, affecting and being influenced by events and patterns in the operating environment. (Aishatu, Tende & Toriola, 2022)

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).

Environmental factors have different dynamic features such as global competition, information technology, quality service revolution and corporate social responsibility which are compelling managers to rethink and reshape their approach to their various operational responsibilities. Due to this paradigm shift, new firms are emerging that are more responsive to both their internal and external environments (Luthans, 2011).

The internal factors which exist within the operational base of an organization and can directly affect the different aspect of business include organizational structure, organization's culture, organization's policies, employees records, firms mission, resistance to change, poor quality staff, lapses in internal control, bad resource/financial management, operational weaknesses, high staff turnover and over-leveraging. The external factors are government regulation, market condition, weather conditions, culture, economic recession, political turmoil, low cost competitors, changes in customer behavior, environmental/ health issues, technological changes, natural disasters, change in input supply, changes in macro economic variables and terrorist attacks.

Hence, all businesses should be aware of the various changes in the environment in order to survive in the long run. Similarly, every business settings often bring in new way of thinking about the environmental factors and new ways of acting (Belohlav, 2012).

Managers work on the company's culture, technology production, organizational structure, and physical infrastructure in the internal environment (Purwanti& Fattah, 2011). The variables that function within a corporation's internal environment are described as having characteristics that can be managed by management (Margaretta, 2012). According to Hubeis and Najib (2014), the internal environment refers to the environmental organizations that exist in a normal firm and have

immediate consequences. It's a collection of resources, talents, and skills that will be used to develop a market position based on the company's own assumptions. As a result, the internal environment analysis includes a study of the company's resources, expertise, and competency (Rita &Miswar, 2018).

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.

The workplace environments in most forms are unsafe and unhealthy. These include poorly designed workstation, unsuitable future, lack ventilation, inappropriate lighting, excessive noise, insufficient safety measure in fire emergencies and lack of personal protective equipment. People working in such environment are prone to occupational disease and its impact on employee's performance. This affects production as many staff applies for sick leave to obtain treatment. This is found inn most large organizations where the culture of motivation is lacking. Therefore, this study is set of look into how these environmental factors have affected organizational performance.

#### 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 an organizational resource 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

Ho<sub>1:</sub> Organizational culture does not have any impact on customer satisfaction

Ho<sub>2</sub>: Organizational structure does not have any significant influence on employee performance

H<sub>03</sub>: Organizational resource 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.

5

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 downturns and pandemic that occurred during the period which makes many firms to realign their strategies with the environment. The research will be considering the internal environmental factors like organizational culture, organizational structure and organizational resources will enhance customer satisfaction, competitive advantage and employee performance.

#### 1.9 OUTLINE OF THE STUDY

This research work was structured into five chapters. Hence, the chapters are charted below in order of standard;

Chapter one: This is the first part of the research work and it provides a background knowledge to the study, followed by the statements of the research problem the aim and objectives of the research, research questions, the hypotheses of the research questions, followed by the significance of the study, sources of data, limitation of the study, scope of the study, outline of chapters contain in the study, operationalization of variables and definition of terms. Hence, the next chapter is chapter two which present the conceptual frame work, theoretical frame work, empirical frame work and gap in literature concerning the impact of Corporate Social Responsibility on Sustenance

of Business Organisation. Furthermore, chapter three discusses the research methodology, research design, population of study, sample size determination, sample techniques/procedure, research sample frame, collection of data, research instrument, validity of research instrument, reliability of research instrument and ethical consideration.

Lastly, this section expatiate on discusses of data presentation and analysis of the research work which includes the empirical result and interpretation of result, test of questionnaires, test of hypothesis and discussion of results which was made available in chapter four. And chapter five, which is the final chapter of this research work and it reflected the summary of the work, discusses the findings in the study, give conclusions, it also outlines the researcher's recommendations based on the findings of the study and suggests for further study and contribution to knowledge.

### 1.9 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:

Internal environmental factors (X) Organizational performance (Y)

X=f(Y)

Where  $X = (x_1, x_2, x_3, ..... yn)$   $Y = (y_1, y_2, y_3, ..... yn)$ 

 $x_1$ = organizational culture  $y_1$ =customer satisfaction

 $x_2$ =organizational structure  $y_2$ =competitive advantage

 $x_3$  = organizational resources  $y_3$  = employee's performance

Organizational culture Customers satisfaction
Organizational structure Competitive advantage

### 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 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".

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). (John, 2018).

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 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.

#### 2.1.3 Dimensions of Internal Environment

### 2.1.3.1 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 set 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).

# 2.1.3.2 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).

## 2.1.3.3 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).

### 2.1.4 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).

### 2.1.5 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.

### 2.1.6 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).

### **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).

### 2.1.7 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).

### 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 review

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; Entrylevel 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.

### 2.3 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 150Retail 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:

$$n= N$$

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

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.

# **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	Cumulative
			Percent	Percent
20-34	58	19.1	19.1	19.1
35-44	184	60.7	60.7	79.9
	101	00.7	00.7	73.3
45-54	52	17.2	17.2	97.0
43-34	32	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, 2023

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	Cumulative
				Percent	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, 2023

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
	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, 2023

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

Source: field survey 2023

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

Source: field survey 2023

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	Cumulative
				Percent	Percent
	strongly disagree	19	6.3	6.3	6.3
	Disagree	27	8.9	8.9	15.2
Valid	Undecided	36	11.9	11.9	27.1
vand	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, 2023

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
Valid	Undecided	22	7.3	7.3	15.5
v and	Agree	171	56.4	56.4	71.9
	strongly agree	85	28.1	28.1	100.0
	Total	303	100.0	100.0	

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

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
11	Disagree	20	6.6	6.6	9.9
Valid	Undecided	16	5.3	5.3	15.2
v and	Agree	117	38.6	38.6	53.8
ų.	strongly agree	140	46.2	46.2	100.0
	Total	303	100.0	100.0	

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
Valid	Undecided	39	12.9	12.9	26.7
Vand	Agree	123	40.6	40.6	67.3
	strongly agree	99	32.7	32.7	100.0
	Total	303	100.0	100.0	

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	Cumulative
		Percent	Percent

	strongly disagree	16	5.3	5.3	5.3
0	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
u.	strongly agree	133	43.9	43.9	100.0
	Total	303	100.0	100.0	

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 organization

	Frequency	Percent	Valid	Cumulative
			Percent	Percent
Valid 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	

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
Valid	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	

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
Valid	Disagree	12	4.0	4.0	10.9
	8				
	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	

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 organization

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

Agree	92	30.4	30.4	48.5
strongly agree	156	51.5	51.5	100.0
Total	303	100.0	100.0	

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	

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	Cumulative
				Percent	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	

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
	Disagree	24	7.9	7.9	10.6
	undecided	19	6.3	6.3	16.8
Valid	unasonasa	17	0.0	0.5	10.0
v and	Agree	151	49.8	49.8	66.7
II.	strongly agree	101	33.3	33.3	100.0
	Total	303	100.0	100.0	

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
	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
Valid					
ı.	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, 2023

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
	strongly disagree	6	2.0	2.0	2.0
	disagree	16	5.3	5.3	7.3
Valid	undecided	24	7.9	7.9	15.2
, varia	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, 2023

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
	strongly disagree	4	1.3	1.3	1.3
	Disagree	16	5.3	5.3	6.6
Valid	Undecided	19	6.3	6.3	12.9
vand	Agree	110	36.3	36.3	49.2
111	strongly agree	154	50.8	50.8	100.0
	Total	303	100.0	100.0	

Source: Researchers computation, 2023

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	Cumulative
				Percent	Percent
	strongly disagree	5	1.7	1.7	1.7
	disagree	16	5.3	5.3	6.9
Valid	undecided	20	6.6	6.6	13.5
vand	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, 2023

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
n n	disagree	15	5.0	5.0	6.3
Valid	undecided	18	5.9	5.9	12.2
V and	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, 2023

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

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
Valid	Undecided	32	10.6	10.6	14.9
Vana	Agree	175	57.8	57.8	72.6
is a	strongly agree	83	27.4	27.4	100.0
	Total	303	100.0	100.0	

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
Valid	undecided	10	3.3	3.3	5.9
Vana	Agree	169	55.8	55.8	61.7
	strongly agree	116	38.3	38.3	100.0
	Total	303	100.0	100.0	

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	Cumulative
		Percent	Percent

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

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
Valid 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
Agree	102	33.7	33.7	40.3
strongly agree	181	59.7	59.7	100.0
Total	303	100.0	100.0	

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
Valid	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	

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, 3.3% 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

H<sub>01</sub>: 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	Std. Error of the
			Square	Estimate

1	.892	.795	.782	.505

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<sup>2</sup> 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** 

M	odel	Sum of	df	Mean Square	F	Sig.
		Squares				
	Regression	47.522	3	15.841	62.083	.000
1	Residual	12.247	48	.255		
	Total	59.769	51			

Source: Researchers computation, 2023

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		Standardized	T	Sig.
	Coefficients		Coefficients		
	В	Std. Error	Beta		
(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

# 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.

 $H_{02}$ : 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	Std. Error of the
			Square	Estimate
1	.821	.673	.653	.550

Source: Researchers computation, 2023

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<sup>2</sup>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** 

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

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 S		Standardized	T	Sig.
	Coefficients		Coefficients		
	В	Std. Error	Beta		

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

# 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.

 $H_{03}$ : 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	Std. Error of the
			Square	Estimate
1	.739ª	.546	.538	.900

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<sup>2</sup> 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** 

Mod	el	Sum of	Df	Mean	F	Sig.
		Squares		Square		
	Regression	7.885	3	2.628	3.245	.029 <sup>b</sup>
1	Residual	45.365	56	.810		
	Total	53.250	59			

Source: Researchers computation, 2023

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		Unstand	lardized	Standardized	T	Sig.
		Coefficients		Coefficients		
		В	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

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<sup>2</sup> 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

67

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 (H0<sub>2</sub>) 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<sup>2</sup> 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 (H0<sub>3</sub>), 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

## 5.0Preamble

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.

# **5.1Summary 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 Respondent,

# LETTER OF INTRODUCTION

The bearer, OLUWAFERANMI TESTIMONY AYODELE with matriculation number:19/27BA/00955 is a student of Business and Entrepreneurship Department, College of Humanities, Management and Social Sciences; School of Business and Governance, Kwara State University, Malete, Nigeria. He is currently conducting a research study titled "Impact of internal environment on survival of business in manufacturing sector (A study of Kam holding company, Ilorin"

Hence, we request your support in helping him fill this questionnaire attached therein in order to make her carryout this research work objectively. Please note that the information supplied shall be treated with utmost confidence and use purely for academic purposes only. Thanks for your cooperation.

Yours faithfully, Dr A.N Brimah

SECTION A: RE	ESPONDENT BIO DATA
INSTUCTION: Plea	ase 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 qualific	cations: SSCE() NCE()HND()BSE()
	Master ( )
Level of managemen	nt: Lower level ( ) Middle level ( ) Upper level ( )
	SECTION B
Scale responses to ea	ach item are measures on five point scale with the anchors label (1) strongly
disagree, (2) disagree	e (3) undecided (4) agree (5) strongly agree.
Organisational Cul	ture
Organisational behav	vior

	<u> </u>	
UD	A	SA
	UD	UD A

Orga	nisational Structure					
Resp	onsibility					
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			<u> </u>			
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					
Dutie	s ·					
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					

Emplo	oyees Performance					
S/N		SD	D	UD	A	SA
5/11		SD			11	571
15	Well structured organization increases employee					
	satisfaction					
16	High employee performance boost employees retention					
Organ	nisational Resources					
Huma	n resource					
S/N		SD	D	UD	A	SA
17	Labour turnover is reduced when adequate resources is					
	provided to employees					
10						
18	Utilisation of company resources helps to reduce burnout					
	and stress					
Mater	ial Resource					
1,14,001	1000 010 0					
S/N		SD	D	UD	A	SA
19	Inventory management and year at all any and					
19	Inventory management reduces stock-out cost					
20	Material planning smoothens capacity utilization and					
	allocates correct time to product as per demand forecast					
Financ	cial 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.					