

ORGANIZATIONAL ADAPTABILITY AND COMPETITIVE STRATEGIES OF MANUFACTURING FIRMS IN NIGERIA

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ABSTRACT

The study's main goal is to ascertain how competitive strategies affect the firm adaptability of Nigerian listed manufacturing enterprises. A cross-sectional research approach was adopted in this study. Thirty (30) manufacturing firms listed in the Nigerian Stock Exchange's consumer, industrial, and healthcare sectors made up the sample. The basic random sampling technique was used. With the help of "Survey Monkey," a total of 396 sets of questionnaires were sent to respondents' email addresses; 300 of those sets were used for analysis. Before the Cronbach alpha test was used to assess the instrument's reliability, it underwent content and face validity assessments. OLS multiple regression, correlation, the Jacque Bera normality test, and descriptive statistics were among the statistical tools used in the data analysis because the study's main objective was to measure associations. The statistical program used in the study to examine the data was Stata version 13. The results show that there is a substantial positive correlation between the firm's adaptability and the focus strategy, differentiation strategy, and cost leadership strategy. The study comes to the conclusion that organizations must strictly follow the cost leadership approach in order to pursue competitive tactics. distinguishing strategy, focusing strategy, and monitoring using technology to improve manufacturing businesses' adaptability and longevity. In order to maintain a competitive edge over rivals and to take full use of its flexibility and inventiveness, management ought to implement a differentiation strategy.

Keywords: Adaptability, Manufacturing, Enterprises, Competitive, Strategies

INTRODUCTION

Organizations face a number of challenges, and their capacity to overcome them rests on their ability to work together, keep a consistent competitive edge over competitors in the industry, and put strategies in place that assist

them in addressing both internal and external environmental factors. Organizational leaders should therefore continue to be extremely concerned about their organizations' capacity to adjust to changes in the environment if they are to survive (Huber, 2011). According to Jones and

Barlet (2008), the implicit organizational goal of ensuring organizational longevity necessitates the commitment of both human and material resources. Adewale (2011) argues that achieving organizational survival should take precedence over all other goals since it will enable the organization to accomplish its other goals.

Lee (2006) asserts that an organization's capacity to innovate, successfully adjust to its environment, and maximize its use of human and material resources is what determines its ability to endure in a competitive business climate. If an organization's main goal is not organizational survival, it should reassess. Manufacturing firms continue to grow, and rivalry intensifies. As the competition intensifies, many companies continue to search for lucrative ways to differentiate themselves from competitors (Porter, 2008). As a result, businesses need to come up with plans that will provide them a competitive advantage and increase their chances of surviving.

Known as strategies, these are the actions and choices that companies make to reach a particular level of success and guarantee their continued existence. The organization's aims and objectives are the focus of strategies. According to Onouha's (2009) research, Nigeria's manufacturing industry has a number of difficulties, including high production costs, inadequate infrastructure, funding, competition from imported goods, and a narrow operational scope. Some of the variables that negatively affect capacity utilization and policy inconsistency are inadequate infrastructure, inadequate electrical supply, and high funding costs resulting from the depreciation of the naira. As a result, the difficulties have made strategy, creativity, and adaptation necessary.

Covin and Slevin (2010) claim that factors like heightened competitiveness, economic restructuring, governmental restrictions, and technical advancements have exacerbated environmental turbulence and uncertainty for manufacturing enterprises. Managers and executives frequently choose to "do more with less" during economic downturns (Guidry, 2011). In order to address problems that are harmful to the life of the company, businesses frequently

create departments and hire consultants (Evans & Berman, 1992).

Manufacturing companies face fierce competition, so they need to use competitive strategies to improve and gain a competitive edge, boost profitability and generate above-average returns, and help the company make better decisions, improve its products and services over time, and increase its chances of adapting and surviving in the market. Manufacturing companies must also continuously monitor their surroundings to stay informed about changes in the economy, government regulations, technology, and other areas (Nnaji for et al., 2024; Lawal & Abdullahi, 2024). In order to maximize their competitive advantage and provide their services effectively and efficiently, manufacturing enterprises must also improve their technological know-how and acquire new and advanced technologies. Thus, the purpose of this article is to investigate how competing strategies affect the adaptability of Nigerian listed manufacturing enterprises.

There has been a wide range of prior research on the relationship between a firm's adaptability and its competitive strategy. According to some, competitive strategies can improve a firm's ability to adapt (Campbell, 2005; Cater & Puckos, 2005). However, research by Yamin et al. (1999) and Spanos & Lioukas (2001) discovered a different perspective, which is why there is inconsistency. This study will address these contradictions and add to previous research.

The industrial industry in Nigeria has long had poor productivity levels and made a negligible contribution to the country's GDP. This is due to the fact that in the past knowledge was treated like something trivial, something that always existed and taken for granted (Olusanya, 2013). According to (NACCIMA, 2012) in their annual report, over eight hundred (800) manufacturing companies in Nigeria closed between 2009 and 2011. The primary reason for these closures was changes in the business environment, suggesting that the manufacturing companies were unable to adjust to these changes. The effort for firms to obtain a competitive edge and meet customer demand has intensified due to global competition. These two factors are essential for attaining

favorable performance. This is due to the fact that maximizing profit and boosting shareholder wealth are the main goals of every commercial firm. Businesses that effectively adopt a strong corporate culture can greatly enhance their overall performance, and business leaders must create a strong culture of adaptability inside their firms in order to achieve effective performance. Three competitive strategies—cost leadership, distinctiveness, and focus, among others—have been used to make this possible.

Organization adaptability is a critical component of any business entity's overall performance. It follows that in order to achieve organization adaptability—which is now seen as the glue holding organizations together and is hence characterized by terms like stability, collectivity, and reliability—business entities must develop and promote effective competitive strategies that are consistent with their long-term objectives. The general objective of the study is to determine the effect of competitive strategies on firm's Adaptability of listed manufacturing firms in Nigeria. The specific objectives are to:

- i. examine the relationship between cost leadership strategy and adaptability of manufacturing firms in Nigeria.
- ii. ascertain the relationship between differentiation strategy and adaptability of manufacturing firms in Nigeria.
- iii. assess the relationship between focus strategy and adaptability of manufacturing firms in Nigeria.

LITERATURE REVIEW

Firm's adaptability

Organizational adaptability to the environment has long been the theme of extensive attention by researchers in organizational theory and strategic management, as well as business managers (Chen, 2014). Organizational strategy determines the direction and deployment of organizational development and therefore plays a crucial role in the degree to which the organization matches the external environment, especially the dynamic environment (Dirksen, 2021) formulation of an organization's strategy requires a comprehensive

consideration of the organization's internal state and external environment (Kim & Rhee, 2009). Cross-sectionally, even if the same strategy is implemented in the same environment, different organizations will achieve varying outcomes due to their own diversity.

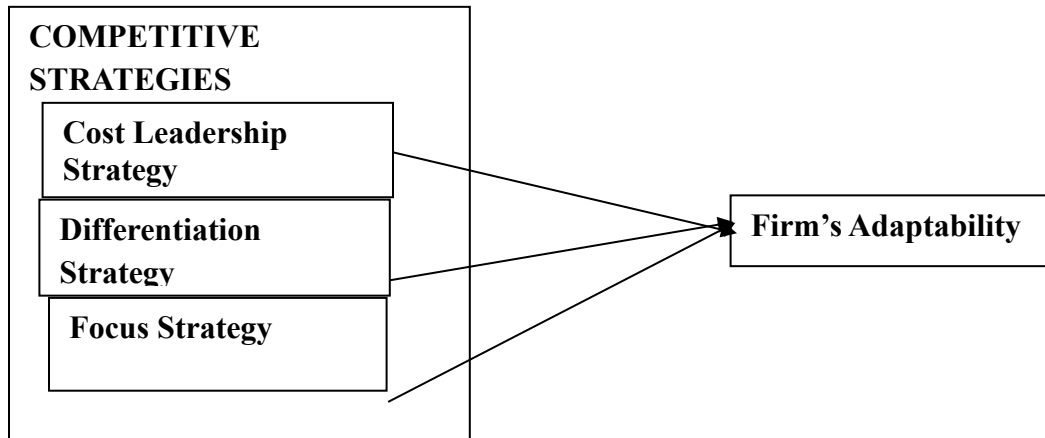
Longitudinally, if an organization remains committed to its previous strategy in a changing environment, it may not accomplish as much as it did before due to the erosion of environmental dynamism exploration of the complex relationship among environment, strategy, and organizational adaptability had its roots in the internal organization. Whether it is the design school (Dundas & Richardson, 1980), the planning school (Ansoff, 1980), or the positioning school (Porter, 1998) their focus is all on the relationship between organizational strategy and structure have conducted in-depth researches on the question of whether strategy determines structure or structure determines strategy based on population ecology theory (Michael & John, 1997), contingency theory (Luthans, 1973), institutional theory (Dimaggio & Powell, 1983), etc as cited in (Yunhao et al., 2021).

Another school of research focuses on the relationship between the environment in which an organization operates and its strategy. A fundamental question at this point is whether the strategy is completely constrained by the environment or whether the strategy can influence or even dominate the environment (Lewin & Volberda, 1999), the emergence of the resource-based theory (Barney et al., 2001) and the capability view (Gravenhorst et al., 2003) brought attention back from the outside of the firm to the inside. Relevant studies have acknowledged the role of organizational resources and capabilities in determining organizational strategy. The concept of dynamic capabilities (Teece et al., 1997) developed on this basis provides the theoretical support for companies to gain through-cycle, sustainable competitive advantage.

When markets shift, technologies proliferate, competitors multiply, and products become obsolete almost overnight, companies that have a wealth of knowledge or are good at creating

knowledge and applying it to the business end are often able to respond appropriately to a dynamic environment (Aisha & Abdullahi, 2024). As stated by Nonaka in his discussion of the

knowledge-creating company, the one sure source of lasting competitive advantage is knowledge in an economy where the only certainty is uncertainty (Nonaka, 2007).



Focus Strategy and Firm's Adaptability

While differentiation emphasis seeks to differentiate in a target segment, cost focus seeks to achieve cost advantage. Cost focus capitalizes on differences in cost behavior in other segments, whereas differentiation emphasis capitalizes on the distinct needs of consumers in specific segments (Porter, 1980). This approach targets a small market segment that is underserved by cost leadership and designs its products to meet the demands of that segment at the expense of others (Johnson, 2011). By providing a restricted range of services or products, catering to particular markets, or having a unique product or service for a particular sort of consumer, it is also used when applying broad cost leadership (Porter, 1985) is inappropriate (Allen & Helms, 2016).

Focused differentiation is the second of two emphasis methods, according to Pearce and Robinson (2012). Offering distinctive features that satisfy the needs of a limited market is necessary for a targeted differentiation approach. As with a focused low-cost strategy, different settings require diverse definitions of restricted markets (Lawal & Abdullahi, 2024). Certain companies who use a concentrated differentiation strategy concentrate all of their resources on a single sales channel, like selling just online. Some concentrate on particular demographic

categories. One example is the company Breezes Resorts, which caters to childless couples. Visitors can be confident that noisy and unruly children won't annoy them at any of the company's seven tropical resorts.

Differentiation Strategy and Firm's Adaptability

A business that employs differentiation strategy seeks to differentiate itself from rivals in areas that are significant to customers (Mackenzey, 2011). By employing this strategy, a business selects one or more attributes that are important to many industry clients and positions itself in a distinctive manner to meet those demands. For its uniqueness, the business may be able to get paid more. Although a business employing a differentiation strategy cannot ignore costs, they are not the primary strategic goal (Porter, 1980). A company will outperform its rivals in that area if it can sustain distinction and its price premium justifies the extra cost of being unique.

Robinson (2015) asserts that a business can offer customers a good or service that they consider to be more useful at a price lower than their perceived worth if it implements an effective differentiation strategy. When compared to other options, the customer may believe that the extra expense of purchasing a good or service is

significantly less than its value (Pearce, 2010). Businesses develop more specialized product or service offerings and price them according to the target segment, while marketers choose the ideal segment to target with their product. The business may choose the most effective methods for communication and distribution with ease, and it will also have a better understanding of its rivals, which are other businesses vying for the same market (Borren, 2013). In other words differentiation is driven by uniqueness.

The fundamental factors that make an activity unique and without which a firm cannot fully develop ways to create new forms of differentiation or assess how sustainable the current differentiation is determine a firm's uniqueness in a value activity (Porter, 1985). This tactic entails doing something different that clients value enough to justify a higher price (Johnson, 2011).

Cost Leadership and Firm's Adaptability

Gaining a competitive edge by maintaining a lower price than rivals is known as the "cost leadership strategy" (Porter, 2001). This is accomplished by cutting production and distribution expenses, which lowers the price of commodities as a whole. This is still feasible in markets with price control because to automation, adaptability, and enhanced manufacturing, which removes a significant portion of production process inefficiencies. Particularly in a market with intense competition, a company faces the risk of resource depletion and eventual insolvency if it continues to cut prices without reducing operational costs (Woodruff, 2014).

The company must be the industry's lowest cost producer, not just one of several vying for the distinction, in order to adopt a low cost strategy (Porter, 1985). A business that employs cost leadership seeks to become the industry's lowest cost manufacturer for a given quality level, claims Strickland (2014). This might be done at the industry standard rate to beat rivals in terms of profit, or it could be done at a lower rate to gain market share.

There are differing opinions in the literature regarding how cost leadership affects a company's ability to compete. For instance, Anderson (2012) confirms in his research on Asian markets that items may need to accommodate the cash flow of consumers who often receive their pay on a daily rather than weekly or monthly basis since they have low discretionary incomes. According to Miyagawa and Yoshida (2015), Japanese companies are now making significant inroads into the rapidly expanding Chinese market. Because of China's low-wage labor population, these chances are essentially cost-leadership. To transform the Chinese market into a manufacturing base capable of competing in the Japanese market, Chinese products must undergo constant, small-scale improvements in quality and efficiency.

This study did not fully address the aspects that enable cost leadership because relying just on low-wage workers may not be helpful if process and operational expenses are not reduced. Amit (2010) conducted research on the competitive tactics used by Kenyan gas stations. The results indicated that while all stations use various competitive strategies, the majority—most of which are multinational corporations because of their strong financial positions—combine cost leadership and differentiation initiatives simultaneously. George (2010) investigated the connection between business competitiveness and competitive strategies in the mobile telecommunications service sector.

According to analysis, there is a justification for sticking to the original low cost model in order to secure higher profitability, even though more and more "hybrid" low cost models have succeeded in achieving low operating expenses while providing low fares and yielding appealing operational profit margins. Thus, the goal of the study was to ascertain how cost leadership affected the adaptability of Nigerian firms.

Empirical Review

Adesina (2017) investigated the connection between Rivers State microfinance banks' organizational survival and competitive strategies. Market development, differentiation, and corporate positioning were indicators of

competitive strategies, but flexibility and adaptability were indicators of the competitive strategies, which are aspects of organizational survival. A questionnaire was used to gather data for the study from 155 managers in the overall population, and a judgmental sampling technique was used to establish the sample size of 112 managers. The hypothesis was tested using the Spearman rank order coefficient of correlation. According to the results, the idea of competing strategies improves organizational survival and performance efficiency. Therefore, it was discovered that competitive methods greatly improved the microfinance institutions' flexibility and adaptability.

Ibe and OLori (2016) investigated the level of organizational survival and employee work attitude in Port Harcourt fast-food businesses. A questionnaire was used to interview 99 managers from 12 fast food restaurants in Port Harcourt. Spearman, a nonparametric statistical technique. The correlation between the independent and dependent variables was determined using the rank correlation coefficient and SPSS. The results demonstrated that organizational innovation and adaptation in fast food enterprises are influenced by job satisfaction and job involvement. Based on the results, it was determined that employee work attitude significantly affects the longevity of the firm.

Promise (2020) looked into the connection between Port Harcourt bottling businesses' organizational survival and their work environment. The cross-sectional survey of variables was used in the study. A questionnaire that participants self-administered produced the primary data. 122 employees of two chosen companies made up the study's population. Using Taro Yamane's formula for calculating sample size, 93 was the chosen number. The results of the study showed a strong and favorable correlation between the organizational survival of Port Harcourt bottling enterprises and their work environment.

METHODOLOGY

A research design is a blue-print or chart which specifies how data on a given population should

be collected and analyzed. Research design is the overall research strategy used for the study (Mark, Philip and Adrian, 2009). The quantitative paradigm is the most appropriate research method in the context of this study because of the exploratory relationship between the variables under investigation. A quantitative study is an inquisition into a social or human problem, based on testing a theory collected of variables, measured with numbers, and analyzed with statistical procedures, in order to establish whether the analytical generalizations of the theory hold true (Mark et al, 2009). Hence the cross sectional research design was adopted for the study because the researcher collected primary data from respondents using questionnaire at one point in time.

The population for the study consists of the thirty (30) manufacturing companies in three categories/sectors/ sub-sectors (Consumer, Industrial and Healthcare Sector) in the Nigerian Stock Exchange. Given the total workforce of the selected quoted firms, the total population of the study is 43,798. The choice of the companies in these sectors was predicated on the fact that these industrial categories have been described as the engine house of most nations, thus effective knowledge management in the sector will positively benefit such economy. Hence, the consumer, industrial and healthcare sector drive the economy of a nation.

If the sample's aggregate characteristics closely resemble those of the population, then the sample is representative of the population from which it was taken (Yomere & Agbonifoh, 1999: Mark et al., 2009). The following is how the sample size was determined using Taro Yamani's formula (Olannye, 2006):

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

Where: n = The Sample size

N = the population of study

e = level of significance (0.05)

$$n = \frac{43798}{1+43798(0.05)^2}$$

n = 396.

Therefore, 396 were deemed appropriate to form the sample size, having a population of 43798. A

total of 396 respondents were selected from the management staff, Managers or supervisors/departmental heads of the 30 selected manufacturing companies.

Table 1 Proportionate Distribution of the sample size to the selected companies

S/N	Full Company name	Population	Sample Size
1	Multi-Trex Food	1,992	$(1,992/43798)*396=18$
2	Nigeria Breweries	3,646	$(3,646/43798)*396=32$
3	Flour Mills Of Nigeria	1,611	$(1,611/43798)*396=14$
4	Dangote Sugar	1,419	$(1,419/43798)*396=12$
5	Nestle Nig.	2,325	$(2,325/43798)*396=21$
6	Guinness Nig.	1,344	$(1,344/43798)*396=12$
7	Tiger Branded	1,615	$(1,615/43798)*396=14$
8	Honywell Flour Mill	844	$(844/43798)*396=8$
9	PZ Cussons	1,786	$(1,786/43798)*396=16$
10	Unilever Nig.	1,207	$(1,207/43798)*396=11$
11	Afrik Pharmaceuticals	522	$(522/43798)*396=5$
12	Ekocorp	325	$(325/43798)*396=3$
13	Evans Medical	544	$(544/43798)*396=5$
14	Morison Industries	412	$(412/43798)*396=4$
15	Nigerian-German Ch	389	$(389/43798)*396=4$
16	GlaxoSmithKline Nig.	180	$(180/43798)*396=2$
17	Fidson Healthcare	394	$(394/43798)*396=4$
18	May and Baker Nig.	308	$(308/43798)*396=3$
19	Union Diagnostic and ClinicalSev	485	$(485/43798)*396=4$
20	Neimeth Int. Pharm	188	$(188/43798)*396=2$
21	Dangote Cement	15,315	$(15,315/43798)*396=138$
22	Lafarge Cement Wapco Nig.	4,500	$(4,500/43798)*396=40$
23	Beta Glass Company	623	$(623/43798)*396=6$
24	Cement Company Of Northern Nig.	267	$(267/43798)*396=2$
25	Avon Crown caps and Containers	663	$(663/43798)*396=6$
26	First Aluminium Nig.	219	$(219/43798)*396=2$
27	Chemical and Allied Product	225	$(225/43798)*396=2$
28	Berger Paints Nig.	194	$(194/43798)*396=2$
29	Paints and Coatings Man	118	$(118/43798)*396=1$
30	Dn Meyer	138	$(138/43798)*396=1$
Total		43,798	396

Source: NSE (2022) and MachameRatios® compilation.

Sampling technique is the sampling method adopted in the selection of element in the sample. For the purpose of representativeness and to be unbiased with data collection, the probability sampling technique was employed to select the sample unit, comprising of the probability random sampling. This sample technique gives equal chances to all elements to be selected for the study. Proportional apportionment approach was adopted to determine the number of employees to be chosen from each company as stated in Table 3.1. Sets of structured questionnaires were the primary tool utilized to collect data for this investigation. The questionnaire is a type of data gathering tool that includes a standard series of inquiries concerning the variables under study. Because the questionnaire makes it easier for researchers to contact respondents, it enables a broader coverage (Kothari 2012). The independent variable, competitive tactics, has three dimensions: cost leadership, differentiation, and focus strategies, which are taken from Porter's (1980, 1985) work; adaptability, which is taken from Chuang et al. (2010) and Polyhart et al. (2011).

There are two sections (A and B) in the structured questionnaire that was used for the investigation. While part B sought to satisfy the data needs for each of the hypotheses developed, section A's questions gathered the broad biographical information or demographic characteristics of each responder. A five-point Likert scale was used to scale the questions.

Respondents use the following scales to select their response to the survey questions: 1 = Undecided, 2 = Strongly Disagree, 3 = Disagree, 4 = Agree, and 5 = Strongly Agree. Because it is especially "suitable for measuring behavior and attitudes towards an object or for obtaining the response evaluation of an object," the five-point Likert scale questionnaire is appropriate for this study (Yomere & Agbonifoh, 1999; Mark et al., 2009; Olannye, 2006). A total of 396 set of questionnaire was distributed to the respondent's email addresses with the aid of "Survey Monkey".

Analysis of data according to Cauvery et al. (2005) is the most skilled task of all stages of the

research. The study utilized the primary data. The statistical tools that was used in the analysis of data comprises of descriptive statistic, the Jacque Bera normality test, Correlation and OLS multiple regression because of the nature of the topic which has to do with measurement of relationship. Correlation Coefficient was used to establish the association and statistical relationship that exist among variables; it shows the relationship between variables.

While, OLS multiple regression on the other hand, was used for acceptance and non-acceptance of null hypotheses and prediction of outcome, Post regression diagnostic test (PRDT) was carried tested so as to certify the regression model before generalization, which includes: test for Multicollinearity using the VIF test, test for Heteroskedasticity and the Ramsey regression specification-error test for omitted variables (Ramsey RESET). The study used Stata version 13 as the statistical package for data analysis.

Validity has to do with the strength of the measurement or how much it does what it says it will. Reliability refers to the dependability of something (Mark et al., 2009). Reliability refers to "the extent to which your data collection techniques or analysis procedures will yield consistent findings whereas validity is concern with the ability of the instrument to measure what it is designed to measure" (Easterby –Smith et al., 2002; Mark et al., 2009; Olannye, 2006).

Content validity was undertaken to ascertain whether the content of the questionnaire is appropriate and relevant to the study objective. Content validity indicates a complete range of the attributes under study and is usually undertaken by seven or more experts (Pilot & Hunger 1999; DeVon et al., 2007 in Nasrin et al., 2009). To estimate the content validity of the variables measured by the Questionnaire, the researchers seek the opinion of his supervisors, lecturers and others that are expert in the field of management discipline.

Reliability assessment was carried out using Cronbach's alpha (CA) index tests with the aid of a pilot study. We conducted a pilot study using twenty (20) set of questionnaire which was distributed at random to staff of Asaba

Aluminium in Asaba and staff of Carmelite paint in Agbor, data were collected and the result of the validity of the questionnaire was computed using Stata version 13 software, the result was giving Appendix, with Cronbach's Alpha coefficient value above 0.8.

Model Specification

Firm's Adaptability = F(Competitive Strategies)

FMAD = F(CMST)

Hence,

$$FMAD = \beta_0 + \beta_1 CLST + \beta_2 DFST + \beta_3 FCST + u_i$$

Where:

CMST (CLST, DFST, FCST)

CMST = Competitive Strategies

CLST = Cost leadership strategy

DFST = Differentiation strategy

FCST = Focus strategy

FMAD = Firm's Adaptability

$\beta_0 - \beta_n$ = Regression coefficients

u_i = Error Term or Stochastic variable

RESULTS AND DISCUSSIONS

Three hundred and ninety six (396) copies of the questionnaire was administered. However, three hundred and four (304) copies were returned, four copies of the questionnaire has some unanswered questions while three hundred (300) copies of questionnaire (76%) were used for analysis in the study.

Table 2 Demographic Profile of Respondents

Options	Frequency	Percentage
Sex		
Male	267	89
Female	33	11
Total	300	100
Age		
Bellow 30 years	18	6
30-40 years	120	40
41-50 years	150	50
Above 50years	12	4
Total	300	100
Marital Status		
Married	241	80.3
Single	53	17.7
Widow	2	0.7
Divorced	4	1.3
Total	300	100
Highest Educational Qualification		
WAEC/GCE/NECO	-	-
OND/NCE	33	11

HND/B.Sc.	85	28.3
MBA/MSc.	175	58.4
Ph.D.	3	1
Others	4	1.3
Total	300	100
Years of Experience		
Below 11 years	20	6.7
11-15 years	101	33.7
16-20 years	112	37.3
21-25 years	61	20.3
Above 26 years	6	2
Total	300	100
Status		
Supervisor	179	59.7
Marketing Manager	67	22.3
Operation Manager	34	11.3
Personnel Manager	20	6.7
Total	300	100

Source: Field Survey, 2024

According to Table 4.1's demographic profile of respondents, 267 of the respondents were men, accounting for 89% of all responses, while 33 of the respondents were women, making up 11% of all responses. This demonstrates how the industrial sector differs from the service sector in that it needs more physically fit males with power and energy to do everyday tasks, demonstrating the dominance of men in this field.

Indicating the preponderance of middle-aged workers in the manufacturing sector, the age distribution of respondents reveals that 18 respondents, or 6% of the sample, are under 30, 120 respondents, or 40% of the sample, are between 30 and 40, 150 respondents, or 50%, are between 41 and 50, and 12 respondents, or 4%, are over 50. 53 respondents, or 17.7% of the total, are single, while 241 respondents, or 80.3%, are married. Given that 94% of responders were over 30, this is consistent with the age distribution of the workforce.

Regarding respondents' highest educational qualifications, none of them listed WAEC, GCE, or NECO as their top choice; 33 respondents, or 11%, listed OND/NCE, 85 respondents, or

28.3%, listed HND/BSC, 175 respondents, or 58.4%, listed MBA/M.Sc., and only 3 respondents, or 1%, listed Ph.D., while 4 respondents, or 1.3%, listed other. qualifications in addition to those mentioned. This suggests that the majority of sampled respondents hold an MBA or M.Sc.

Twenty respondents, or 6.7%, had less than eleven years of experience, 101 respondents, or 33.7%, had between eleven and fifteen years of experience, 112 respondents, or 37.3%, had between sixteen and twenty years of experience, and 61 respondents, or 20.3%, had between twenty-one and twenty-five years of experience. Six responders, or 2%, have worked for more than 26 years. As a result, we can conclude that the sampled respondents have prior manufacturing experience. 179 respondents, or 59.7% of the total, are supervisors, 67 respondents, or 22.3%, are marketing managers, 34 respondents, or 11.3%, are operation managers, and 20 respondents, or 6.7%, are personnel managers. This suggests that the sampled respondents had experience working in manufacturing, ranging from managers to supervisors.

Table 3 Descriptive statistic

variable	mean	p50	max	min	N
clst	4.286667	4	5	3	300
dfst	4.293333	4	5	3	300
fcst	4.37	4	5	3	300
fmad	4.29	4	5	3	300

Source: Researcher's computation (using Stata version 13.0)

Table 3 shows the descriptive properties of the data set used for the analysis, the constructs has a maximum value of 5 indicating that the respondents strongly agree at some point for all the questions asked, while the minimum of 3 for the constructs. On the average the respondent chooses 4 (agree). The descriptive statistics Table further shows that the sample size of 300 respondents were sampled (n = 300)

Table 4 Normality test

Skewness/Kurtosis tests for Normality					
Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	adj chi2(2)	joint Prob>chi2
clst	300	0.2382	0.0069	8.11	0.0174
dfst	300	0.2519	0.0056	8.34	0.0155
fcst	300	0.0617	0.0001	16.20	0.0003
fmad	300	0.1587	0.0045	9.18	0.0101

Source: Researcher's computation (using Stata version 13.0)

The result of Jacque Bera normality test was showed in Table 4 it shows that all the variables are normally distributed at 5% level of significance. Hence, any recommendations made to a very large extent would represent the characteristics of the through population of study.

Table 5 Correlation Analysis

	clst	dfst	fcst	fmad
clst	1.0000			
dfst	0.6692	1.0000		
fcst	0.5135	0.5288	1.0000	
fmad	0.6510	0.6972	0.5915	1.0000

Source: Researcher's computation (using Stata version 13.0)

The result in Table reveals that there is positive correlation analysis involving the dimensions of knowledge management and measures of organizational effectiveness.

Test of Hypotheses

Decision Rule

The null hypothesis shall be accepted if the p-value (calculated value) is greater than (>) the

established level of significance (critical value) and we are to reject the null hypothesis if otherwise (less than (<) the critical value). The level of significance that is above 0.05 is a

condition for accepting the null hypothesis (H_0). But if otherwise, that is p-value less than 0.05 is the condition for rejecting the null hypothesis (H_0) (Gujarati & Porter, 2009).

Post Regression Diagnostic Test

Test for Heteroskedasticity

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

H_0 : Constant variance

Variables: fitted values of fmad

chi2(1) = 0.25
Prob > chi2 = 0.6174

Source: Researcher's computation (using Stata version 13.0)

The result for the test for heteroskedasticity, shows that the variation between the dependent and independent variables are homoskedastic in that there is no heteroskedasticity problem (0.25(0.6174)). Implying that, the model is free from presence of unequal variance. This further indicates that our probability values for drawing

inference on the level of significant are reliable and valid. Thus, validating the OLS results and implying that there is no need for robust regression or weighted least square regression. Hence, the regression results can be used to test the formulated hypotheses

Ramsey Regression Equation Specification Error Test (RESET)

Ramsey RESET test using powers of the fitted values of fmad

H_0 : model has no omitted variables

F(3, 293) = 1.24
Prob > F = 0.2946

Source: Researcher's computation

The results obtained from the test for Ramsey regression equation specification error test, the probability value of 0.2946 means that the model has no omitted variables.

Variable	VIF	1/VIF
dfst	1.98	0.505547
clst	1.94	0.516794
fcst	1.48	0.674227
Mean VIF	1.80	

Source: Researcher's computation (using Stata version 13.0)

The result shows the test for variance inflation factor test, the mean VIF value is 1.80 which is less than the benchmark value of 10 indicates the absence of multicollinearity.

Table 6: OLS Regression Result of knowledge Management Practices (Independent Variable) and Innovative Work Practices (Dependent Variable)

Multiple Regressions

Source	SS	df	MS	Number of obs = 300		
Model	62.431239	3	20.810413	F(3, 296)	=	142.13
Residual	43.338761	296	.146414733	Prob > F	=	0.0000
				R-squared	=	0.5903
				Adj R-squared	=	0.5861
Total	105.77	299	.353745819	Root MSE	=	.38264

fmad	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
clst	.2643814	.0523583	5.05	0.000	.1613397	.3674232
dfst	.3960886	.0532371	7.44	0.000	.2913173	.5008598
fcst	.2586571	.0466167	5.55	0.000	.166915	.3503992
_cons	.3258131	.1959453	1.66	0.097	-.0598094	.7114356

Source: Researcher's computation (using Stata version 13.0)

H0₁: There is no significant positive relationship between cost leadership strategy and Firm's Adaptability.

The regression result output in table 6 shows that **cost leadership strategy** has a significant and positive relationship on Firm's Adaptability (Coef. 0.2644, p = 0.000), the p-values is less than 0.05, hence, we reject the null hypothesis and accept the alternate hypothesis, which states that there is significant positive relationship between cost leadership strategy and Firm's Adaptability.

H0₂: There is no significant positive relationship between differentiation strategy and Firm's Adaptability.

The regression result output in table 6 shows that **differentiation strategy** has a significant and positive relationship on Firm's Adaptability (Coef. 0.3961, p = 0.000), the p-values is less than 0.05, hence, we reject the null hypothesis and accept the alternate hypothesis, which states that there is significant positive relationship between differentiation strategy and Firm's Adaptability.

H0₃: There is no significant relationship between focus strategy and Firm's Adaptability.

The regression result output in table 6 shows that **focus strategy** has a significant and positive relationship on Firm's Adaptability (Coef. 0.

2587, p = 0.000), the p-values is less than 0.05, hence, we reject the null hypothesis and accept the alternate hypothesis, which states that there is significant positive relationship between focus strategy and Firm's Adaptability.

Discussion

Relationship between cost leadership strategy and Firm's Adaptability

We reject the null hypothesis and accept the alternate hypothesis, which claims that there is a significant positive relationship between cost leadership strategy and firm's adaptability, based on the regression result output in Table 6 which demonstrates that cost leadership strategy has a significant and positive relationship on Firm's Adaptability (Coef. 0.2644, p = 0.000), the p-values is less than 0.05.

The results of two studies, one by Shah et al. (2000), which found that Japanese firms applying low cost performed better than US and German companies that applied a "Stuck in the middle" strategy, and the other by Marques et al. (2000), which surveyed 12 large manufacturing firms from Portugal's glass industry and found that companies with a higher return on equity pursued a cost leadership strategy based on efficiency production and a cost leadership strategy derived

from product innovation. The study's results corroborate Thathi's (2008) research, which examined the competitive strategies employed by Kenyan advertising companies and discovered that quality of service delivery, competitive pricing, and discounts were the main tactics used by these companies.

The results also align with those of Murimiri (2008), who discovered that Kenyan commercial banks used cost cutting, exceptional customer service, and operational efficiency to become more competitive.

Relationship between differentiation strategy and Firm's Adaptability

We reject the null hypothesis and accept the alternate hypothesis, which claims that there is a significant positive relationship between differentiation strategy and firm adaptability, based on the regression result output in Table 6 which demonstrates that differentiation strategy has a significant and positive relationship on Firm's Adaptability (Coef. 0.3961, $p = 0.000$). The p-values is less than 0.05. The analysis's conclusions show that differentiation approach has a favorable and substantial impact on BOC's competitiveness. Firm competitiveness increased by 0.48 for every unit increase in the application of differentiation strategy.

These findings are in line with earlier studies; for example, Allen and Helms (2002) discovered a strong and positive correlation between organizational competitiveness and product differentiation strategy. These results corroborate the research of Marques et al. (2000), Silva et al. (2000), and Jacome et al. (2002), which shown that companies that adopted a differentiation strategy tended to be more competitive than those that did not. In a similar vein, Murage (2011) discovered that service stations employed differentiation to gain a competitive edge over rival service stations in his investigation of the competitive tactics employed in the petroleum sector.

The study's findings are in line with those of Kimotho (2012), who examined competitive tactics in relation to CFC Stanbic Bank Limited's financial competitiveness and discovered that businesses that are adept at quickly developing

new goods have an advantage over their competitors.

HO3: There is no significant relationship between focus strategy and Firm's Adaptability.

Table 6's regression result output demonstrates that focus strategy and firm adaptability have a significant and positive relationship (Coef. 0.2587, $p = 0.000$), with p-values less than 0.05. As a result, we reject the null hypothesis and accept the alternate hypothesis, which claims that focus strategy and firm adaptability have a significant positive relationship.

Regression study results indicated a significant positive association between company competitiveness and focus strategy. The present study's results align with previous research on generic strategies, which suggested that an organization can achieve greater competitiveness by implementing business strategies such as differentiation, cost leadership, and differentiation with focus (CampbellHunt, 2005; Cater &Pucko, 2005; Porter, 1980a; Porter 1985b; Projogo&Sohal 2006b; Spanos&Lioukas 2001 and Yamin et al., 1999).

CONCLUSION AND RECOMMENDATIONS

Becoming the industry's low-cost producer is the aim of the company adopting the cost leadership strategy. Being in a low-cost position offers a company a buffer against rivalry because it allows it to continue making profits even after rivals have eaten into its earnings. Cost executives work to increase productivity and keep expenses under control across the whole supply chain of their company.

Developing an offering that consumers find distinctive is the main goal of differentiation strategy. It entails building qualities that can offer a business an edge over rivals in terms of differentiation. A company that uses difference as a strategy is probably going to provide special goods and services. There is sufficient evidence, according to the study's findings, to conclude that

differentiation strategy significantly affects BOC Kenya's competitiveness. The study discovered that a firm's competitiveness is impacted by its differentiation approach.

The study found that, as opposed to participating in the entire market, focus approach focused on chasing particular market niches through overall cost leadership and/or distinctiveness. In order to obtain a competitive advantage, it entails market segmentation and specialization within the selected segment. Businesses that employ a focus strategy aim to target a specific demographic or geographic region.

In order to improve flexibility and the survival of manufacturing enterprises, organizations have been forced to develop competitive strategies. These strategies include cost leadership, differentiating, and focusing, and they must be strictly adhered to using technology. Enhancing organizational survivability in the manufacturing sector can be achieved through the implementation of cost leadership, differentiation, and focus strategies. Developing and putting into practice a competitive strategy would be advantageous for the long-term survival of the company since it would foster innovation and adaptation within the organization. The following suggestions were offered in light of the analysis's results and conclusions: In order to maximize its survival, management should implement cost leadership techniques, which offer a chance to improve adaptability to both internal and external environmental aspects for sustainable company results.

- i. In order to reduce production and operating costs and to optimize capability through innovation and adaptation, management should develop policies that would improve the businesses' cost leadership strategy in accordance with modern technology.
- ii. To optimize flexibility and innovation and obtain a long-term competitive edge over rivals, management should implement a differentiation strategy.
- iii. In order to maximize adaptability and, ultimately, the organization's survival,

management should make sure that significant efforts are made to implement a focus strategy, concentrating their goods and services on a certain market.

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