

**ENVIRONMENTAL DYNAMISM, COMPETITIVE STRATEGY AND  
NON-FINANCIAL PERFORMANCE OF MANUFACTURING FIRMS  
IN NIGERIA**

**BY**

**IDOWU, ADEMOLA**

**M. Sc. (Lagos) 2011; MBA (Lagos) 1981; B. Sc. (UNN), 1977**

**MATRICULATION NUMBER: 099023019**

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**A THESIS IN THE DEPARTMENT OF BUSINESS  
ADMINISTRATION SUBMITTED TO THE SCHOOL OF POST  
GRADUATE STUDIES, UNIVERSITY OF LAGOS.**

**IN FULFILMENT OF THE REQUIREMENTS FOR THE  
AWARD OF DEGREE OF DOCTOR OF PHILOSOPHY (Ph.D.)  
OF THE UNIVERSITY OF LAGOS**

**JUNE, 2017**

**SCHOOL OF POSTGRADUATE STUDIES  
UNIVERSITY OF LAGOS, AKOKA, LAGOS.**

**CERTIFICATION**

**This is to certify that the Thesis:**

**ENVIRONMENTAL DYNAMISM, COMPETITIVE STRATEGY AND  
NON-FINANCIAL PERFORMANCE OF MANUFACTURING FIRMS  
IN NIGERIA**

**Submitted to the  
School of Postgraduate Studies  
University of Lagos**

**For the award of the degree of  
DOCTOR OF PHILOSOPHY (Ph.D.)  
Is a record of original research carried out**

**By:**

**IDOWU, ADEMOLA**

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## **DEDICATION**

This thesis is dedicated to Almighty God for His abounding grace. The thesis is also dedicated to my late father Solomon Adelabu Idowu, who I did not know quite well, and my grandchildren, Oreoluwa Adedoyin Ajiboye and Titoluwalase Adesewa Akinbiyi.

## ACKNOWLEDGEMENTS

First and foremost, I give glory to Almighty God, my creator and giver of wisdom and knowledge. Many people have helped me while carrying out this study. In particular, I wish to give my special appreciation to my first supervisor, Professor B. E. A. Oghojafor, who was there for me in my quest for PhD adventure. He eminently provided a veritable platform for the realisation of my PhD dreams by sacrificing almost everything (including sometimes his private time) for me despite his obviously busy schedules. I also wish to express gratitude to my second supervisor, Professor O. L. Kuye, for providing me with important advice, helpful suggestions and constant encouragement throughout the course of this study. Without their help and support, this study would not have been completed, for which I'm eternally grateful. I extend sincere thanks to Dr. P. K. Ladipo for his continued encouragement and constructive advice. I am also grateful to Dr. S. A. Adebisi (who also served as first internal Examiner) for his supportive role, guidance and advice during this study. I also wish to thank Dr. I. Adeleke for useful suggestions on the statistical data analysis.

Special gratitude goes to the following scholars for providing valuable suggestions and for encouraging me to finish this thesis: Professor J. N. Mojekwu, Dr. E. O. Oyatoye, Dr. Olusoji George, Dr. O. J. Oluwafemi, Dr. A. A. Sulaimon, Dr. O. Dakare, Dr. O. Olayemi and Dr. T. C. Obiwuru who was second internal Examiner. I'm indebted to Dr. S. O. Adebisi and Dr. G. A. Rahim for providing help and encouragement in the course of this research.

Sincere thanks are also extended to the Dean, members of the Academic Programmes Committee (APC) and other management and staff members of the School of Postgraduate Studies (UNILAG) for being a veritable platform for the actualisation of my Ph. D. dreams.

Special thanks to the Chief Executives of various manufacturing firms who have supported this study by responding to the survey. I want to thank Mr. Joseph Emoleke and Mr. Lucky Amachree both of the secretariat of Manufacturers Association of Nigeria (MAN), Ikeja, and Timothy Alabi for their help and support during this study.

Finally, I would like to thank my family: My wife, Folasade, daughters, Aderonke and Adedayo and their husbands, Adeniyi and Akintobi respectively, and my son, Babajide have given whole-

hearted assistance and encouragement as a result of which I was able to maintain my focus on the Ph.D programme.

I regret that I may have left lots of people out, who have helped me along the way, and to those, I am sorry but I am extremely grateful nevertheless for their valuable contributions.

Ademola IDOWU

June 2017

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## ABSTRACT

Over the last two decades or so, the Nigerian business environment, particularly the manufacturing industry, has remained dynamic and turbulent with attendant consequences for firm's performance. Extant studies have focused attention on the relationships between environmental dynamism, firms' strategy and financial performance. However, studies investigating the relationship between environmental dynamism, firms' strategy and non-financial performance in a developing economy are scanty and inconclusive. This study investigated the relationship between environmental dynamism, competitive strategy and non-financial performance of manufacturing firms in Nigeria. It adopted cross-sectional survey research design. Survey questionnaire was used to obtain primary data from strategic managers in the selected seventy manufacturing firms in Lagos State, Nigeria. The choice of seventy manufacturing firms was arrived at through multistage sampling techniques, while the administration of questionnaire was through random sampling method. Out of the 420 copies of the questionnaire administered through the Manufacturers Association of Nigeria, 351 were completed and returned representing 83.4% response rate. Data generated were analysed systematically by adopting descriptive statistics (frequency, mean, standard deviation, correlation and one-sample t-test) and inferential statistics (regression). The results revealed that there was a positive and significant relationship between environmental dynamism, competitive strategy and non-financial performance. It also shows a justified coefficient of determination  $R^2 = 0.208$ , meaning that the fitted regression model explained a justified 20.8% of the variability in non-financial performance. Hypotheses tested indicated that there was sufficient evidence to support the rejection of the six of them. The findings of the study show that industry forces and generic strategy contributed positively and significantly to the success of the manufacturing firms in Nigeria. The study then recommended that the Nigerian government needs to provide the enabling environment that promotes enabling strategic actions in order to contribute meaningfully to the Gross Domestic Product, and that managers should recognise that the fast pace of change in the Nigerian business environment requires innovative strategies that will deliver optimum and sustainable competitive advantage.

Keywords: Environmental dynamism, Competitive strategy, Non-financial performance, Manufacturing firms, Regression, Nigeria.