

# الأبّة

بسم الله الرحمن الرحيم

قال تعالى :

{ اقْرَأْ بِاسْمِ رَبِّكَ الَّذِي خَلَقَ { 1 } خَلَقَ الْإِنْسَانَ مِنْ  
عَلَقٍ { 2 } اقْرَأْ وَرَبُّكَ الْأَكْرَمُ { 3 } الَّذِي عَلَّمَ بِالْقَلَمِ { 4 }  
عَلَّمَ الْإِنْسَانَ مَا لَمْ يَعْلَمْ { 5 } } .

صدق الله العظيم

سورة العلق : الآيات (1-5)

## **Dedication**

This Research work is dedicated to My Uncle Late Malam Muhammad Yaro Bariki and Late Malam Ismaila Ahmed Jahun.

## **Acknowledgement**

In the name of Allah the most beneficent the most merciful. May his blessing and mercy be upon his prophet Mohammad S.A.W. My thanks to Allah first and last. I wish to extend my gratitude to the Sudan University of Science and Technology, Business College and the Graduate School for the opportunity given to me in the attainment of this esteem goal. I acknowledged the patience of my supervisors Prof. Muhammad Hassan Hafiz and Associate Prof Dr. Abdel Hafiez Ali Hasaballah. Without their support this work would not be achieved. They gave clarity to my thinking and direction to my efforts, I am indebted to them for their efforts, help, support, encouragement and cooperation during the entire period of my study. My appreciation goes to my seminar chairman Dr Sidiq Omar for his valuable comments which paved the way in shaping and revising the study. Special thanks to Dr Dahiru Abdulkadir, Dr Muhammad Daud, Dr Yasir Atico, Dr Muhammad Saleh, Dr Arafa Jibril, Dr Abubakar Aliyu, Faruq Adam, Fatima, Elham, Dr. Muhammad Nura, Malam Dauda Habu Galadi and Malam Lawan Sha'aibu. I also wish to express my appreciation to his Excellency Ambassador Alhaji Haruna Ginsau, and all my friends and well wishers. My gratitude as well goes to the Management of Jigawa state college of education, Gumel and the Tertiary education trust fund (TETFUND) for their support that enabled me to undertake this study. Furthermore I am glad to acknowledge the roles of Sudan University library and the Manufacturing Firms who are the research respondents for the services they provided to the success of this study.

I also wish to express my appreciations to my research assistants and secretary i.e. Usman Turaki, Zainab Inuwa Adam, Kabiru Isyaku, Muhammad Haruna Birniwa, Shitu Shabaru, Ilyasu Auwal and Abdullahi Abubakar. Finally sincere appreciation to my wife Hajiya Hajara Sambo Aliyu for her patience, cooperation and understanding.

## **Abstract**

Nigeria has allowed itself to be used for all sorts of imported goods from foreign industries and Asian Tigers in the name of globalization. Consequently, this has greatly affected the capacity utilization of various firms of the Nigeria's manufacturing sector. It is a thing of concern that even the oil which Nigeria produces, part of it is refined abroad and imported back to the country to meet-up local consumption, the situation becomes more aggravated due to Nigerians preference for foreign good. There are few researches on strategic management in emergent markets i.e. developing economy as such Manufacturers in Nigeria do not apply properly strategic management concepts for future development, hence this study to turn around the minds of regulators and manufacturers in Nigeria should focus on competitive advantage and push towards sustaining it. The purpose of this study giving this background is to examine the strategic management elements (Formulation, Implementation and Control), Elements of Competitive advantage (value, rareness and inimitability) and Environmental factors in enhancing sustainable competitive advantage in Nigerian's manufacturing sector. Hence, Strategic management elements as independent variables, competitive advantage elements as mediator and sustainable competitive advantage as dependent variable, while environmental factors moderate the relationship. Data were collected through personal questionnaire from 166 manufacturing firms in Nigeria who are Members of Manufacturing Association of Nigeria within North West and North Central zones with 70% response rate.

Five Main Hypotheses were tested, and the results from the study indicated that there is positive and significant relationship between strategic management elements and elements of competitive advantage, a positive relationship between Value and inimitability with sustainable competitive advantage; innovation. Findings indicated the mediating influence of elements of competitive advantage between strategic management elements and sustainable competitive

advantage as well as the moderation role of hard technology between elements of competitive advantage and sustainable competitive advantage innovation. According to the result manufacturers in Nigeria fully agreed that implementing strategy that leads to value, rare and inimitable resource yield firms competitive advantage and continues innovation sustained the advantage. This study adds Knowledge to the theory and practice of sustainable competitive advantage particularly in Nigeria's manufacturing firms. Its theoretical and empirical significance adds more insight on the previous empirical studies in the field that is to say it gives guidelines to manufacturers in Nigeria on the application of strategic management. It gives guidelines to manufacturers in Nigeria on the impact of strategic management approaches on sustainable competitive advantage. For government and firms, the study provides avenue of enhancing sustainable competitive advantage in Nigeria and Africa as a whole since the phenomena is general. Based on the study findings, limitations and suggestions for future research were also presented.

مستخلص

سمحت نايجيريا لنفسها أن تكون سوقاً للصناعات الأجنبية وصناعات النمر الأسيوية باسم العولمة الأمر الذي كان له الأثر العظيم على قدرة الشركات وقطاع الصناعة النايجيرى بل حتى النفط الذي تنتجه نايجيريا جزءاً منه يكرر في الخارج ويعود مرة أخرى لتلبية الطلب المحلي ، هذا وقد أصبحت الحالة متفاقمة نسبة لتفضيل النايجيريين للمنتج الأجنبي.

هنالك القليل من البحوث حول الإدارة الإستراتيجية في الأسواق الناشئة مثل الاقتصاديات النامية مثلاً المصنعين في نايجيريا لا يطبقون مفهوم الإدارة الاستراتيجية للتنمية المستقبلية بصورة صحيحة .

من هذه الدراسة نلت إهتمام وأنظار المنظمين والمصنعين النايجيريين للتركيز علي الأفضلية التنافسية والدفع باتجاه المحافظة عليها .

تهدف الدراسة بإعطاء هذه الخلفية لاختبار عناصر الإدارة الاستراتيجية ( الصياغة ، التطبيق ، التحكم ) وعناصر الأفضلية التنافسية ( القيمة ، الندرة ، الادهاش ) والعوامل البيئية في تشجيع المحافظة علي الأفضلية التنافسية في قطاع الصناعة النايجيرى . ومن هنا كانت عناصر الادارة الاستراتيجية لمتغير مستقل وعناصر الأفضلية التنافسية كوسيط والمحافظة على الأفضلية التنافسية كمتغير ثانوي أو تابع بينما العوامل البيئية تتوسط هذه العلاقة .

جمعت المعلومات لهذه الدراسة عبر الاستبانة التي وزعت على 166 من الشركات العاملة في قطاع الصناعة النايجيرى وذات العضوية في جمعية المصنعين النايجيريين .

## **Table of Contents**

| <b>Content</b>           | <b>Page</b> |
|--------------------------|-------------|
| الآية                    | i           |
| Dedication               | ii          |
| Acknowledgement          | iii         |
| English Abstract         | iv          |
| Arabic Abstract          | vi          |
| Table of contents        | viii        |
| List of Tables           | xiii        |
| List of Figures          | xv          |
| Introduction             | 1           |
| Preface                  | I           |
| Study Plan               | 4           |
| Statement of the Problem | 5           |
| Research Questions       | 7           |
| Hypotheses               | 11          |
| Objectives of the Study  | 16          |
| Scope of the Study       | 16          |



|   |    |
|---|----|
| Significance of the Study   | 16 |
| Definition of Terms   | 17 |
| Organization of the Study   | 24 |
| Chapter One Literature Review   | 25 |
| Introduction  | 25 |
| 1.1 Sustainable competitive Advantage   | 25 |
| 1.1.1 Market orientation  | 28 |
| 1.1.2 Customer value  | 30 |
| 1.2 Integrative review of firm's Sustainable Competitive Advantage Literature | 35 |
| 1.3 Strategic Planning research from Developing Nations .....                 | 40 |
| 1.4 Strategic Management Elements and its Theoretical Perspective             | 41 |
| 1.5 Profit maximization and competition-based theory                          | 44 |
| 1.6 Resource Base View theory   | 44 |
| 1.7 The Survival theory.....  | 45 |
| 1.8 The Agency theory   | 45 |
| 1.9 Establishment of organizational hierarchy of Goals                        | 46 |
| 1.10 Analysis of Organizational resource capability                           | 47 |
| 1.11 The general environment  | 49 |
| 1.12 The Competitive environment  | 49 |
| 1.13 The Internal environment   | 51 |
| 1.14 Resource Base View   | 52 |

|  |        |
|--|--------|
| 1.15 Potentials to competitive advantage                               | 54     |
| 1.16 Critiques to resource base view                                   | 55     |
| 1.17 Strategic implementation and sustainable competitive advantage    | 56     |
| 1.18 Strategic control and sustainable competitive advantage           | 57     |
| 1.19 competitive advantage and firm's performance                      | 59     |
| 1.20 Environment and sustainable competitive advantage                 | 66     |
| 1.21 Sustainable competitive advantage and firm's superior performance | 69     |
| <br>2.0 Chapter two The Case Study                                     | <br>73 |
| Introduction   | 73     |
| <br>2.1 Back ground to the Nigerian Economy                            | <br>73 |
| 2.1.1 Agriculture  | 74     |
| 2.1.2 Industry   | 75     |
| 2.1.3 Services   | 76     |
| 2.1.4 Transportation   | 77     |
| 2.1.5 Labour Force   | 78     |
| 2.1.6 Investments  | 78     |
| 2.1.7 Foreign Economic Relations                                       | 79     |
| 2.1.8 Contribution of Manufacturing Industry in the Nigeria's Economy  | 780    |
| 2.1.9 Legal and financial state of the firm's                          | 81     |

|      |  |     |
|------|--|-----|
| 2.10 | Future Plans   | 82  |
| 2.11 | Problems of strategic planning in manufacturing firms in Nigeria | 87  |
| 2.12 | Ways to overcome the problems                                    | 88  |
| 2.3  | Conceptual framework   | 88  |
| 2.4  | Research Design  | 91  |
| 2.5  | Sampling procedure   | 91  |
| 2.6  | Development of Questionnaire                                     | 95  |
| 2.7  | Administration of field work                                     | 99  |
| 2.8  | Measurement of variables   | 100 |
| 2.9  | Data Analysis techniques   | 112 |
| 3.0  | Chapter Three Data Analyses and Testing of Hypotheses            | 113 |
|      | Introduction   | 113 |
| 3.1  | Respondents Rate   | 113 |
| 3.2  | Questionnaire rate of return                                     | 113 |
| 3.3  | Respondents demographic characteristics                          | 114 |
| 3.4  | Goodness of Measure  | 116 |
| 3.5  | Factor and reliability analysis on all variables                 | 117 |
| 3.6  | Modified conceptual framework                                    | 123 |

|   |     |
|---|-----|
| 3.7 Modified Hypotheses                     | 123 |
| 3.8 Descriptive statistics on all variables | 126 |
| 3.9 Correlation analysis on all variables   | 127 |
| 3.10 Hypotheses testing                     | 130 |
| 3.11 Summary                                | 148 |
| Conclusion                                  | 149 |
| Findings                                    | 149 |
| General Recommendations                     | 152 |
| Special recommendations                     | 153 |
| Recommendations for future research         | 154 |
| References                                  | 156 |
| Appendices                                  | 164 |

## **LIST OF TABLES**

| <b>Table No.</b> | <b>Title of the Table</b>  | <b>Page</b> |
|------------------|--|-------------|
| 1.1              | Contributions to the Development of sustainable competitive advantage.           | 36          |
| 2.1              | Manufacturing Firms Participated in the study                                    | 82          |
| 2.2              | Reliability test of Pilot Survey   | 99          |
| 2.3              | Questionnaire Response Rate  | 133         |
| 3.1              | General characteristics of Respondents   | 115         |
| 3.2              | Factor and Reliability Analysis on Formulation, Implementation and control       | 118         |
| 3.3              | Factor and Reliability Analysis on value, rareness and inimitability (ECA)       | 120         |
| 3.4              | Factor and Reliability Analysis on Technology (environmental factor)             | 121         |
| 3.5              | Factor and Reliability Analysis on Innovation (SCA)                              | 122         |
| 3.6              | Descriptive statistics for all Variables   | 127         |
| 3.7              | Inter items correlation for all variables  | 129         |
| 3.8              | Multiple Regression Analysis on strategic management elements with value         | 131         |
| 3.9              | Multiple Regression Analysis on strategic management elements with Rareness      | 132         |
| 3.10             | Multiple Regression analysis on strategic management elements with inimitability | 134         |
| 3.12             | Multiple Regression Analysis for elements of competitive advantage and SCA       | 135         |
| 3.14             | Multiple Regression analysis on SME and SCA                                      | 136         |

|      |  |     |
|------|--|-----|
| 3.16 | Hierarchical Regression on SME and SCA with value as Mediator            | 141 |
| 3.17 | Hierarchical Regression on SME and SCA with inimitability as Mediator    | 143 |
| 3.20 | Hierarchical Regression on ECA and SCA with hard technology as Moderator | 145 |
| 3.21 | Hierarchical regression on ECA and SCA with soft technology as Moderator | 147 |

## **LIST OF FIGURES**

| <b>Figure No.</b> | <b>Title of the Figure</b>  | <b>Page</b> |
|-------------------|---|-------------|
| 1.1               | Strategic management process (Lunb 1984)                                    | 43          |
| 1.2               | A summary of strategic management theories (Bavid 2005)                     | 46          |
| 1.3               | External stake holders and the corporate mission statements (Schermer 2001) | 47          |
| 1.4               | SWORT Analysis (Schermerhorne 2001)   | 48          |
| 1.5               | Relationship between resources, capability and CA. (Grant 2002)             | 53          |
| 1.6               | Potential to competitive advantage (Barney 1991)                            | 55          |
| 1.7               | Competitive advantage and firms performance                                 | 59          |
| 2.1               | Conceptual Framework  | 90          |
| 3.1               | Modified Conceptual Framework   | 124         |
| 3.2               | Relationship between SME and ECA (Value)                                    | 130         |
| 3.3               | Relationship between SME and ECA (Rareness)                                 | 132         |
| 3.4               | Relationship between SME and ECA (Inimitability)                            | 133         |
| 3.5               | Relationship between ECA with SCA (Innovation)                              | 134         |
| 3.6               | Relationship between SME with SCA (Innovation)                              | 136         |
| 3.7               | Relationship between SME and Innovation mediated by ECA                     | 137         |
| 3.8               | Mediation Structure   | 139         |

|      |  |     |
|------|--|-----|
| 3.9  | Relationship between SME and Innovation Mediated by Value          | 140 |
| 3.10 | Relationship between SME and Innovation Mediated by Inimitability  | 142 |
| 3.11 | Moderation role of environment between ECA and SCA                 | 143 |
| 3.12 | Relationship between ECA and SCA with Hard Technology as Moderator | 145 |
| 3.13 | Relationship between ECA and SCA with Soft Technology as Moderator | 146 |