

# External Environmental Correlates of Performance in Publicly-Owned Organizations in Benue State, Nigeria

Ukpata, Ijuo Sunday

Department of Business Administration, Faculty of Humanities, Management and Social Sciences, Federal University Wukari, P.M.B 1020, Wukari Nigeria

## Abstract

The Government-owned companies in Benue State, Nigeria have been operating under turbulent and randomized environment over the years. This thesis examined the “external environmental correlates of performance in publicly-owned organizations in Benue State Nigeria.” The methodology used was a correlational design with descriptive survey method involving the use of questionnaires designed on ‘five-point’ Likert Scale which were distributed to 213 respondents comprised of both staff, major distributors of the companies’ products, and some staff of the State Controlling Ministry. While Cronbach’s Alpha Co-efficient ( $\alpha$ ) was used to test the reliability of instrument, the Pearson Product Moment Correlation Co-efficient ( $r$ ) and the t-test were used to test the hypotheses. The results led to the rejection of the four “null” hypotheses. The study found that, technological changes, regulatory policies, cultural influences and market competitions highly influenced the performances of publicly-owned organizations in Benue State of Nigeria, and that community culture moderated the associations between leadership style and top-management decision-making thereby affecting organizational performance negatively. The implications of these were that the top-management and the Board of these organizations in their bad decisions resisted adapting to new technologies when it is obvious to do so thereby forcing the organizations to struggle with obsolete production system. Similarly, the companies’ staff did not know how to integrate with community culture due to lack of management guidance on management of cultural diversities. This had given rise to staff misbehaviours, which had contributed to inefficiency and lack of effectiveness in the organizations. It also had implication for top-management perceptions of the external environmental variables, which exerted pressure on organizational mortality that had negative effect on the organizations’ workforce due to frequent downsizing. The study recommends that the organizations should make frantic effort towards cultural adaptation and integration than control. They should equally do away with obsolete equipment and deploy latest technologies into their operations. The study concluded that Trilogy Model of Organizational Success that incorporates ambidextrous learning be adopted by the organizations as a mediating trajectory for new product and process innovations as key variables for competitive advantage.

**Keywords:** Environmental Correlates, Performance, Trilogy Model, Public Organizations

## 1. Introduction

The environments of a business are numerous ranging from political, economic, sociological, technological, cultural, and legal among others and can be classified as (i) placid: this type of environment does not change. (ii) Randomized: this type moderates sporadic changing scenario, and (iii) turbulent: this is characterized by persistent chaotic and restless changes with regular waves of disturbances and distortions in the operating environment. Egwu, (2012). This type of environment is known for high waves of changes and uncertainties such as the changes in the Information and Communication Technology – ICT industry, food and beverages, fashion industries etc. Ogunro (2014), posits that, Nigeria’s business environment is characterized by uncertainty policy instability and lack of necessary infrastructure. And furthermore, that businesses operate under such chaotic environmental conditions helplessly with inadequate or dilapidated infrastructure and thereby constituting a major threat for organizations to thrive in Nigeria. The external environmental correlates can be defined as, those conditional and situational factors, events, and elements surrounding a firm, institution or an enterprise that can influence its operations, activities, choices of business, and ultimately determine its opportunities and inherent risks profile.

According to Sturdivant, (1977) cited in Edema, (2009), it is critical to recognize that influences and effects flow both ways, from business to its environment as well as from the environment to business. Woolard, (1989) sees business environment as, “knife with two edges... ; one edge is vulnerability, and another edge is opportunity.” A company must either fit its strategy to the industry environment in which it operates or be able to reshape the industry environment to its advantage through its chosen strategy (Hill and Jones, 1995). Organizations fail because of their inability to adapt themselves to the various environments that surround their businesses. For instance Mashal and Shafiq (2014) one the threatening elements to organization performance has been linked to the dynamics of the interjection of the organizational culture with the community culture. They maintain that, the only thing of real importance that leaders do, is to create and manage culture and if you do not manage culture, it manages you; and you may not even be aware of the extent to which this is happening. That culture issue has affected organizational performance widely at varying degrees from one operational

environment to another. Therefore, the need to carefully study each organizational environment to ascertain how these environments affect businesses becomes eminent (Mashal and Shafiq (2014).

The external business environment in Nigeria has in the recent decade been coloured and deeply characterized with severe and disturbing public fear and environmental uncertainty leading to failure and eventual collapse of so many business organizations including the publicly owned organizations, the big private organizations as well as the small scale industries and the relocation of the big ones to other countries (Ogunro (2014).

Generally speaking, Organizational Performance has been defined as the ability of an organization to fulfill its mission through sound management, strong corporate governance and a persistent rededication to achieving results. Effective organizations are mission-driven, adaptable, customer-focused, entrepreneurial, outcomes oriented and sustainable (Mahapatro, 2011). According to Richard et al. (2009), organizational performance in precise analysis, comprises of the actual output or results of an organization as measured against its intended outputs. Usually, the intended outputs are set out in clear measurable goals and objectives. McNamara (2010) posits that, organizational performance involves the recurring activities to establish organizational goals, monitor progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently. The need to assess the performance of publicly owned organizations in Benue State becomes profound in the emerging globalized economy that information and communication technology is being used as major service delivery enabler. Especially that, Benue State is one of the states in the North Central Nigeria (the middle belt) that has been favoured by nature due to its vast agricultural endowments which has made the state to gain its national identity as the “food basket of the nation.” This agricultural potentials has made the successive state government administrators to embark on government owned commercial enterprises since the 80s and 90s. The need for the sustainability of those enterprises at long run informed the desire to study their performances over time in this current research.

Denga, (1995) describes Benue State as “the land of great potentials.” Avav, (2005) posits however that, “if one critically examines Benue state agriculture in the past and present one cannot but describe Benue as a land of wasted opportunities or potentials. These potentials underscore the greater degree which its environments can be made congenial to grow its young private and public sector industries to achieve high performance. The potentials need to be fully exploited by Benue industries by their Managers. They are ‘potentials’ because, as one opportunity or the other is wasted, the potentials will be depreciating progressively. Hence the need to develop a high performance framework by all Managers of publicly owned organizations in the state. Waal (2011) maintains that, “a High Performing Organization is an organization that achieves financial and non-financial results that are exceedingly better than those of its peer group over a period of five years or more, by focusing in a disciplined way which really matters to the organization.” This means that for an organization to be classified as ‘high performing’, it must be seen to operate under high level managerial discipline in terms of both financial and non-financial organizational behaviours  
A review of the performances of the agro-based companies in Benue state may suffice”

On the other hand, poor performance means a steady decline or depreciation in an organization’s quantum stock of human and material resources that may eventually lead to organizational failure – a condition in which the entire operation will be shutdown due to negative operational results.

Kreitner and Kinicki, (2004) define organizational decline as, “a decrease in an organization’s resource base and that the term resource is used here broadly to mean money, talent, customers, innovative ideas and products. And experts have warned that, ‘decline’ is almost unavoidable unless deliberate steps are taken to prevent it”. The first key step is to recognize the early warning signs of organizational decline (Kreitner and Kinicki, 2004). Undoubtedly, the organization’s internal and external environments send out these warning signs. Therefore, it is imperative and obligatory on the top-management of the organization to be proactive and sensitive to these warning signs and respond to them adequately.

Business environments influence the internal and external factors that dictate the fortunes or the life time solvency of organizations world over. Just as uncertainties in a given environment can threaten the peace or existence of individuals within that environment, so do business organizations become apprehensive about the uncertainties in their operating environments. These uncertainties in business environments if not properly managed by key management decision-making processes often cause organizational poor performance, which may eventually lead to failure; but when properly and adequately managed by proactive top-management decision making can lead to an unprecedented successful performance.

Therefore Scholars such as Edema (2009), Okafor (2012) and Ogunro (2014) agreed that uncertainties in the turbulent environment are generally high and that is the nature of Nigeria’s organizational environment. The external organizational environment includes all elements existing outside the boundary of the organization that have the potential to affect the organization. The environment includes competitors, resources, technology, and economic conditions that influence the organization. It does not include those events so far removed from the organization that their impact is not perceived (Daft, 1997 as cited in Kretnr and Kinicki 2004). Daft further

conceptualized the external environment as having two layers; one, general environment and two, task environment. According to him the general environment is the outer layer that is widely dispersed and affects organizations indirectly. It includes social, demographic, and economic factors that influence all organizations about equally. Increases in the inflation rate or the percentage of dual-career couples in the workforce are part of the organization's general environment. These events do not directly change day-to-day operations, but they do affect all organizations eventually (Daft, 1997). While according to Daft the task environment is closer to the organization and includes the sectors that conduct the day-to-day transactions with the organization and directly influence its basic operations and performance.

The nexus of these environmental correlates play host to numerous waves of operational shocks to businesses arising from both the external and internal environments that often result in business failures. Cameron, Sutton, and Whetten, (1988) cited in Mellahi (2002) define failure as deterioration in an organization's adaptation to its micro niche and associated reduction of resources within the organization. Thus, organizations, particularly Benue State-owned companies need to correlate themselves to their various environmental segments so that they can evade failure.

### **1.1 Statement of the Problem**

The global economy in recent past has been facing turbulent times with regard to performances of economic institutions. Some learning organizations however take pragmatic positions and use the turbulent environments to their competitive advantage while others failed in the wake of the shocks and jolts in their operating environments. There has been alarming increase in the number of failed organizations all over the world – especially in the Third World countries such as Nigeria. For instance, in Nigeria, particularly Benue State, so many organizations both private and public, have witnessed high rate of failure. There were a total of ten state-owned companies established in the 80s and 90s, which include, Benue Burnt Bricks Ltd, Benue Bottling Company Ltd, Benro Packaging Company Ltd, Benfruit Company Ltd. Others include, Lobi Bank Ltd, Lobi Farms Ltd, and Benue Tractor Hiring Company Ltd, which have all been liquidated.

While the Benue Brewery Limited, Agro Millers Limited and the Taraku Mills Limited all had parts of their shares de-invested by the state government to individual investors and now being operated under 'Lease Arrangement' by Yelwata Trading Company (Nig.) Ltd and OLAM Nigeria Ltd. Respectively.

Observations have shown that despite the efforts made to revamp the Benue State-owned companies, they are still witnessing high rate of performance decline. And we are yet to ascertain the definite reasons for this steady performance decline of the organizations. Since much of government's efforts in the past to revive the organizations seems to have addressed more of the internal environmental problems and yet, the organizations are still failing; the present study therefore, is to investigate if the poor performance of these organizations could then be due to external environmental factors such as, technological, regulatory, cultural, and market competition. It is against this background, that the present study attempts to investigate the correlates between the external environment and the performances of publicly- owned organizations in Benue State. And because of the heterogeneous nature of the publicly owned companies in Benue State, the study focused on Agro Millers Limited, Benue Brewery Ltd., and the Taraku Mills Limited which are actually agro-based processing plants with huge capital outlays. Proffering solutions to the aforementioned problems is a sufficient reason for conducting this study.

#### **1.1.1 Objectives of the Study**

The broad objective of this study was to examine the external environmental correlates of performance in publicly-owned organizations in Benue State.

The specific objectives of the study therefore include:

1. To determine if technological changes correlate with the performance of publicly-owned organizations in Benue State.
2. To determine if regulatory policies correlate with the performance of publicly-owned organizations in Benue State.
3. To determine if cultural influences correlate with the performance of publicly-owned organizations in Benue State.
4. To determine if market competitions correlate with the performance of publicly-owned organizations in Benue State.

#### **1.1.2. Research Questions**

The following research questions set the fundamental basis and guide within which this work was carried out, in line with the theoretical framework and the research objectives:

1. Does technological change correlates with the performance of publicly-owned organizations in Benue State?
2. Does regulatory policy correlates with the performance of publicly-owned organizations in Benue State?
3. Does cultural influence correlates with the performance of publicly-owned organizations in Benue State?

4. Does market competition correlates with the performance of publicly-owned organizations in Benue State?

### 1.1.3. Statement of the Hypotheses

The following hypotheses have been postulated for this present study which are stated in the “Null” denoted by  $H_0$ , indicating that no relationships exist between the variables being studied.

**$H_0$ : 1.** There is no significant relationship between technological changes and the performance of publicly-owned organizations in Benue State

**$H_0$ : 2.** There is no significant relationship between regulatory policies and performance of publicly-owned organizations in Benue State

**$H_0$ :3.** There is no significant relationship between cultural influences and the performance of publicly-owned organizations in Benue State

**$H_0$ : 4.** There is no significant relationship between market competitions and the performance of publicly-owned organizations in Benue State

The foregoing hypotheses had only one dependent variable (Y) Organizational Performance, with four different independent variables (X) in each case; (A) Technological changes, (B) regulatory policies, (C) cultural influences, and (D) market competitions.

### 1.1.4. Scope of The Study

This study examined only the external environmental correlates of organizational performance with respect to Agro Millers Limited, Benue Brewery Ltd., and Taraku Mills Ltd in Benue State. The choice was informed by the huge financial and capital base of the companies in the 80s and 90s before this present time capital erosion, as well as market potentials of the companies. Similarly, the three companies selected are the major ones trying to re-engineer their operations while the other seven (7) had been liquidated. The scope of the study therefore, was restricted to the ‘External Environment’ of the organizations, with specific focus on Technological changes, Regulatory policies, Cultural Influences, and Market Completions. These four parameters chosen from the external environment is to ensure empirical focus on the entire research investigation and in making sure that the variables for the study are not superfluous but properly controlled to achieve the desired result.

### 1.1.5. Significance and Justification of the Study

The significance and justification of the study hinged on the fact that principal officers of other similar government-owned companies in Benue State could use the result of the study to guide their future operations in terms of key decision making. The study is significant because, the industrialization of any society depends largely on the effectiveness of these commercial institutions and how they are being managed through the quality of its men and women. Therefore, it is imperative for the people of Benue state to take the result of this study very seriously in developing and managing the state owned companies. Similarly, the work has contributed to existing body of knowledge and literature in management sciences by developing a ‘Trilogy Model of Organizational Success (TMOS) which is in support of the Model of Organizational Ambidexterity propounded by March (1991). This study has ultimately enhanced further academic and nonacademic research in the field of organizational studies.

## 1.2. Review Of Related Literature

In this section, we review, evaluate, and criticize relevant literatures on the environmental correlates of organizational performance to achieve the following objectives: i. Identify gaps and weaknesses in the literature; ii. Uphold and emphasize strengths of the literature; and Raise and input new

### 1.2.1. Conceptual Framework

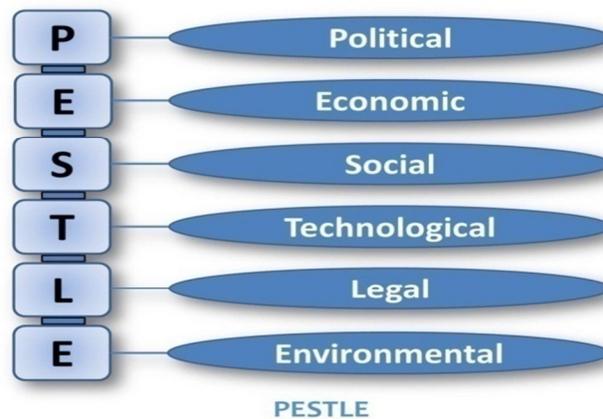
#### 1.2.1. General Concept of Organizational Environment

The environments of organization comprise of both internal and external environment, and both of them have various subdivisions. Although, this study centers on the external environment of organizations, effort was made to make some essential review of key elements in the internal setting of business organizations. The external environments of a business are numerous ranging from political, economic, sociological, technological, cultural, and legal among others. Again, business managers are expected to identify, study, and correlate their strategies and activities to the various elements of the environments.

According to Riley (2012), a business does not operate in a vacuum. It has to act and react to what happens outside the factory and office walls. These factors that happen outside the business are known as **external factors or influences**. These will affect the main internal functions of the business and possibly the objectives of the business and its strategies.

#### The Far Environment

To understand the concept of “the far environment” as stated here, we examined the concept by using an analysis model called “**PESTLE MODEL**”. The **PESTLE Model** is presented below:



**Figure 1: PESTLE MODEL**

**Source:** Jim Killeen (2012). *Understanding Your Operating Environment - Far External Environment.*  
<http://www.resultsresults.co.uk/blog/>

From the PESTLE Model, six major variables were examined as constituent of organizational environment.

These variables are classified as the “far environment” of business. They include:

- Political
- Economic
- Social
- Technological
- Legal and
- Environmental

#### **Political**

In every democratic setting, it is the emergence of Political Parties coming into power – that gives rise to changes in Government that occasioned for changes in policy thrust. Even when changes to Political Parties reflect changes that will give rise to only one party system of government, generally, this does not mean that the system of governance will remain static in terms of policy and decisions in governance.

For instance, one may think back or think into what happened in the 2015 general election in Nigeria, and may wish to see clearly when the then ruling party ceased to be in control of governance, corporate organizations and businesses that depended largely on government funded contracts were literarily apprehensive of the waves of political or, electoral maneuvering as the ruling party that contracted them failed to win the election, what would happen to their business funding and the general survival of such operation? Another probing question would be, even if the party wins the election, the question of candidature may arise if the incumbent lost out to a new promising candidate emerging from within the same party, there is the greater possibility that the new leader may come up with new ideologies that may lead to formulating new policies that may alter so many facets of government and private sector institutions. When this happens, organizations will start to plan what would be done to stay afloat in operations .

#### **Economic**

This is the second variables on PESTLE Model which primarily suggests that the rate of economic growth will directly impact on the growth rate or growth potentials of organizations. And their survival has correlation with the overall state of the economy. For example, the present state of the Nigerian economy is not doing too well. Growth rate has been very sluggish and with high rate of inflation. Most analysts believe that, this state of the economy may remain unfavorable for some time – years – before the economy picks up.

This implies that the state of the national economy dictates the tunes of business operation and therefore, organizations would engage in critical environmental scanning by considering economic indicators as key elements of the major determinants of achieving successful performance.

#### **Social**

As Jim (2012) puts it, This deals with social trends – of many different types. The social environment of businesses varied from one line of business to another. For instance, publicly owned organization in Nigeria may decides to participate in sport activities, such as being able to sponsor football club, or sponsoring secondary schools inter house sports. Sometimes, other organizations decide to build recreation centers for social activities and may themselves use such centers to sell the company’s products. These social activities of organizations in their sociological environment provide avenue for the organization to optimize growth potentials and break into new markets of their businesses.

### **Technological**

In analyzing the ‘Technological’ environment in the PESTLE Model, it is assumed that the emergence of any new technologies will radically change the order of doing business, and therefore, technology emerges to dictate new frontier for business operations and how they might be used to help your business. Or it might be becoming aware of threats to your business. As Jim (2012) puts it:

From the above, it is clear that organizations that fail to utilize the dividend of driving businesses technologically may very soon be out of field of play in their key area of business as a result of failure to respond to technological innovations.

### **Legal**

The PESTLE Model states that the ‘Legal’ environment is an offshoot of POLITICAL, and these are usually changes in Laws and regulations that guide specific line of industry that might affect the organization or business concern. Sometimes, we could have a specific knowledge about changes in Law which are likely going to take place that are coming into force before they actually do – that’s how it works with Parliamentary Law making. So, knowing this, we can be prepared for it.

### **Environmental**

‘Environmental’ here according to the PESTLE Model refers to natural changes that would occur which are not being contemplated by anybody but rather appear naturally as nature allows them. These are the things that have to do with what most people think of as Nature. Therefore, changes in the environment (nature) and the associated implications of these changes are never being expected by the firm. What is important here is that the organization generally must be aware of trends in these areas, how these trends might affect its business operations, and how it has plan to deal with them.

From the analysis of the PESTLE Model presented above, the study tries to give conceptual clarifications to these key environmental variables for deep insight into the broad review of the literatures on the general debates on external environmental variables of organizations and how they impact on the performances of businesses. Apart from the brief analysis of the PESTLE, Management scholars and practitioners have tackled the issue of external organizational environment from different perspectives which this study has reviewed extensively in the following sections.

The external organizational environment can be defined to include all the elements that are existing basically outside the boundary of the organization which reasonably have the potentials and the intrigues to affect the operational performance of the organization. The environment includes competitors, technology, culture, legal and economic conditions that influence the organization. It does not include those events so far removed from the organization that their impact is not perceived; (Daft, 2000). Daft further conceptualized the external environment as having two layers; one, is the general environment and two, task environment. According to him the general environment is the outer layer that is widely dispersed and affects organizations indirectly. It includes social, demographic, and economic factors that influence all organizations about equally. Increases in the inflation rate or the percentage of dual-career couples in the workforce are part of the organization’s general environment. These events do not directly change day-to-day operations, but they do affect all organizations eventually; (Daft, 2000). While according to Daft the task environment is closer to the organization and includes the sectors that conduct the day-to-day transactions with the organization and directly influence its basic operations and performance. The elements that constitute the task environment according to Daft (2000) include, customers, competitors, suppliers, and Labour Market. These elements are remotely close to the organization that their impacts can be felt regularly on daily basis.

Obiwuru, Oluwalaye and Okwu, (2011) state that couple of studies have tried to examine or evaluate the effects of environmental factors on various aspects of businesses or organizations world over. These include Narver and Slater, (1990); Jaworski and Kohli, (1993); Nwokah, (2008). Norzalita and Norjaya, (2010); cited in Obiwuru, Oluwalaye and Okwu, (2011), they examined the role of the external environment in the market orientation-performance linkage among SMEs in the agro-food sector in Malaysia and found that market-technology turbulence and competitive intensity did not moderate the relationship between market orientation and business performance.

According to the classifications of the Daft, (2000), the general environment of organization is classified into five basic dimensions. These are:

- The International dimension
- The technological dimension
- Socio-cultural dimension
- Economic dimension
- The legal-political dimension

These environmental dimensions can be discussed as follow:

**The International Dimension:** The international dimension of the business external environment comprise of issues that reflect majorly foreign interests that would equally influence the local business

situation. Daft, (2000) posits that they are events that represent or originating from foreign countries which as well stand as opportunities for the other countries' businesses. Today, every company must think internationally. In the current global dispensation, there are several new ways and methods of production, design of goods and services, even better rules for distribution and satisfying the consumers in the market, and it is necessary for Managers not to be conservative in their thinking, but to be more liberal in adaptation to new sets of emerging competitive systems that surrounds all business environment. This, managers must do by thinking more rationally on the international frontier than the usual domestic dogmatic way of thinking their business processes. For example, Pulendran, Speed and Widing, (2000) have maintained that, a very important features of the external environment of organization is 'competition.' And because organizations operate in a dynamic changing, competitive and complex environment, the organizations need to seek out important information about customers' preferences and demands through the gorge of such relevant information which the organization will use for evaluation and benchmarking for their competitive advantage (Slater and Narver, 1994). Therefore, the global environment represents an ever changing and uneven playing field compared with the domestic environment. Changes in the international domain can abruptly turn the domestic environment upside down Daft, 2000).

**The technological dimension:** technological dimension here includes scientific and technological advancements in a specific industry as well as in society at large; (Daft 2000). In the current 21<sup>st</sup> century business arena, organizations need to keep themselves abreast of the latest cutting-edge technology being deployed into transacting business or else, they will lose grip of the market and the customers' loyalty. The reason is clear that customers want to see who can give them superlative service delivery that can satisfy their aspirations maximally with high speed and accuracy.

### 1.2.3. Theoretical Framework

This study based its theoretical framework of analysis on two major theories: (1) The Industry Life Cycle (ILC) Theory by Klepper, (1997), and (2) the Upper Echelon Theory propounded by Hambrick and Mason, (1984).

#### 2.3.1. Industry Life Cycle Theory

According to the Industry Life Cycle (ILC) theory as propounded by Klepper, (1997), "firms follow a *priori* sequence independent of firms' strategies and management. The basic assumption and the underlying rationale of the theory is that, organizational failure is a natural and objective phenomenon and Balderston, (1972) equally posits that, it is inherent to the efficient operation of markets. While, Boulding, (1950) notes that organizations follow the path of "inexorable and irreversible movement toward the equilibrium of death; individuals, family, firm, nation, and civilization all follow the same grim law, and the history of any organism is strikingly reminiscent of the rise and fall of populations on the road to extinction".

The ILC approach suggests that failure results from demand saturation, supply running out, or a new technology that promises more value (Boulding, 1950).

#### The Model

This theory critically looks at an industry's life as human beings having all the characteristics that dominate the human social, political and economic environments which make them to change with these environments from time to time. The model of the industry life cycle presents an industry as if it were a biological organism going through the stages of birth, growth, maturity and decline. This helps us to understand how a particular firm can become the 'leader of the pack' through innovation; (Hitt, Ireland and Hoskisson, 2001). Indeed, it was explained that an economic model is a deliberate simplification of the world, which helps to provide a systematic way of thinking about causal relationships (Porter, 2010). The industry life cycle is a rather different type of model. As Porter, (2010:78) puts it:

*the aim is still to provide a systematic way of thinking about economic activity but not by analyzing particular interactions between variables. The industry life cycle is instead a systematic way of thinking about general patterns of structural change across different industries. In this sense, the industry life cycle is an 'ideal type', enabling us to bring order to the complexity of historical events by classifying them as belonging to this or that phase of an identified pattern of industrial change....*

We present the model and analyzed same as provided below

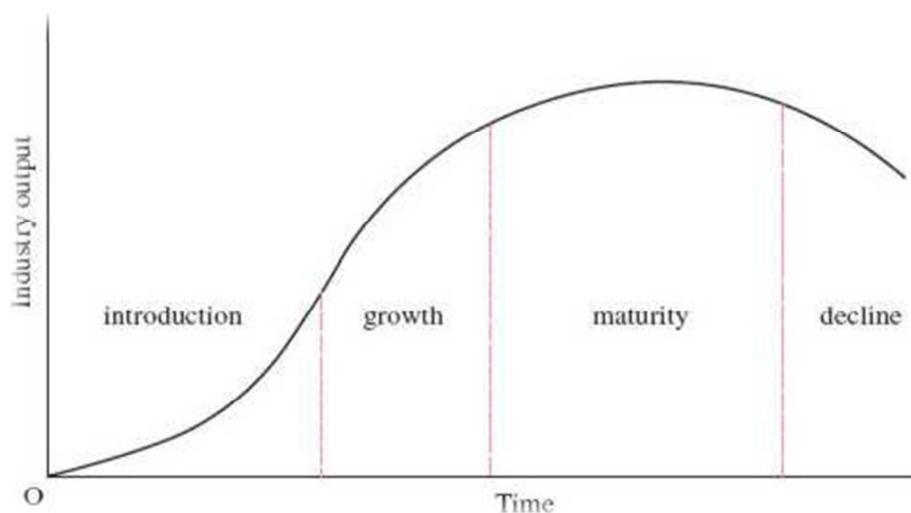


Figure 2: The industry life cycle Model

Source: Adapted from; Hitt, Michael A., R. Duane Ireland, and Robert E. Hoskisson, (2001). *Strategic Management: Competitiveness and Globalization*. 4th ed. Cincinnati, Ohio: South-Western College Publishing.

As stated earlier, industry react to its environment just like the humans and whatever that happens in its operating environment equally affect its life either positively or negatively. From its stages of birth (introduction) through biological transformation of adolescent (growth) vide adulthood ( maturity) to physical depreciation (decline) - all are quite symbiotic to human development. The industry life cycle (ILC) model is strongly assumed to follow the same system, direction and a similar pattern of development as industry output changes, they will literally metamorphose from micro and fragmented clusters of different firms or organizations to a very few mega and large industrial firms having the same characteristics of operations. This change in industrial structure is driven by the interplay between consumer demand and technology throughout the industry life cycle. The ILC examines some of the influences on market demand and the particular importance of price. In fact, price and non-price factors are of varying importance at different phases of the life cycle (Hitt, Michael, Duane, and Hoskisson 2001). El-Nafaty (2012) posits that factors responsible for the Life cycle are include, demand growth and creation an diffusion of knowledge.

As depicted in our **figure 2** of the model of the industry life cycle above, the curved line traces how the total output of a typical industry changes over time. In this diagram, the total output of the industry is measured along the vertical axis. From the horizontal axis, it indicates the life time horizon of the industry which reflected four major stages of the industry development. These stages are: (1) Introduction stage (2) growth stage (3) maturity stage and (4) decline stage.

- **Introduction Stage:** This is the formation stage where the industry introduces its unique product or service into the market. At this stage, it is believed that the industry has a lot of service idea or product innovations. Hitt et al, (2001) put it precisely when they say: “the introductory phase is characterized by *product innovation*, that is, the introduction of novel products for which there are no close substitutes. At this stage the scale of production is low, costs are high and demand for the new industry's products is limited to relatively few consumers.” There will be considerable variety among firms in the industry, ranging from small firms that are as new as the industry to large firms with established products in other industries that are diversifying into the new one. Some firms will have entered the industry right at the start, while others enter more gradually as the profit opportunities created by the original ‘pioneers’ become clear (Hitt et al 2001). This ‘heterogeneity’ among firms, that is, their variety, will be reflected in differences in the technology they use and hence in the costs that they face. Hence technology is no longer understood as ‘given’ and common to all (Flamholtz, 2002). The experimental nature of production at this stage favours firms that can learn quickly and are therefore able to be more flexible and better able to adjust output rapidly in response to changing conditions. In the introductory phase of the industry life cycle, production is a risky business and firms cannot be sure that their product is exactly what consumers want. This stage in the industry development is basically a trial by error production system of test-running its product acceptability, developing a unique selling model to convince buyers and instituting a pragmatic marketing system in order to improve share of the product market.
- **Growth stage:** One can see, apparently in **figure 1**; that as the industry moves from the introductory phase into the growth phase, that at this stage the industry's product or service has gain a favourable advantage in the market. The organization will embark on expansion of its key strategic business units – SBUs through branch creation and networking, engagement of more technical and professional personnel that can maintain and manage operational challenges and ultimately, the size of the industry as measured in terms of its output will

increase. Firms will be able to exploit economies of scale. There is, however, a condition. This implies that an effective management of organization's human and material resources holds a clue about the condition for achieving economies of scale. This stage in the ILC will naturally lead to its full blown maturity (Hitt et al 2001). Whilst at this point if effective management of organization's operations are not properly coordinated and directed, the doom would be eminent leading to a catastrophic decline and if nothing is done to provide remedial measures, the organization's death or failure will emerge.

- **Maturity stage:** at this point the industry is no longer contending with its product acceptability in the market because it is clear that the industry has a very strong competitive advantage in the market and has established a good will over the years for its product or service. At the maturity stage Stevenson, (2002) posits that, "at the next stage in the life cycle the product or service reaches maturity; there are few, if any, design changes, and demand levels off. Eventually the market becomes saturated, which lead to a decline in demand". This will result in the industry declining.
- **Decline stage:** at this stage, because of the over saturation in the markets of the product – having a lots of rivalries with stiff competition, the industry output and production capacity will deteriorate leading to possible failure or organizational death. Stevenson, (2002) maintains that, "some firms will adopt defensive research posture whereby they attempt to prolong the useful life of a product or service by improving its reliability, reducing costs of producing it, (and hence the price), redesigning it, or changing the packaging."

### 2.3.2. Upper Echelon Theory (UET)

This Study adopted this theory as a backup of the industry life cycle theory – 'upper echelon theory' posits that the characteristics of an organization's key decision-makers influence strategy and subsequent organizational performance; (Hambrick and Mason, 1984). They further state that, "two factors are particularly salient with respect to failure; first, the composition of top management teams and second, managerial succession.

In fact, this scenario most likely portrays the picture of cases of some of the publicly-owned companies in Nigeria and Benue state in particular; such as the Taraku Mills Ltd, Benue Breweries Ltd., and the Agro Millers as examined in Ukpata, (2010), and Utor, (2002) that, "there seems to be consistent transposition of management style in the state-owned organizations when the government of the day knows vividly the apparent weaknesses of some top management staff of some failed companies and are still being given appointments to other different ones – even to new established organizations, this act is ruinous and counterproductive to the industrial development of the state". Obviously such Management Executives will lack the ability to properly diagnose the problem of ailing firms and may rarely have anything new to offer to change the organizations' fortunes. Similarly, many other studies have shown that, homogeneity and heterogeneity as elements of demographic factors do affect top management reaction to failure (Pitcher and Smith, 2001; Bantel and Jackson, 1989; Greening and Johnson, 1996; Boeker, 1997, and Mone, McKinley, and Barker, 1998). Homogeneity depicts the top management team or groups that possess similar ideologies and characteristics towards a given situation while heterogeneity depicts the top management teams that possess dissimilar ideologies and characteristics. Smith, (2001), Bantel and Jackson, (1989); Greening and Johnson, (1996) maintain that both homogeneity and heterogeneity have been used as proxies to predict management behaviours and attitudes in organizations facing decline and that, heterogeneous groups appear to be more effective than homogeneous groups, especially in uncertain and turbulent environments.

In assessing organizations facing decline, Homogeneity and heterogeneity of top management has often been used as a parameters to predict management behaviours and attitudes regarding decline or failure; (Pitcher and Smith, 2001, Bantel and Jackson, 1989; Greening and Johnson, 1996). Heterogeneous groups appear to be more effective than homogeneous groups, especially in uncertain and turbulent environments. On a related note, some body of research suggests that, managerial successions have a favourable effect on performance, and hence improve organizational survival chances; (Ocasio, 1993). For instance, Guest, (1962) as cited in Flamhaultz (2002) found that managerial succession reduced conflict without creating chaos and so improved performance. Similarly, Virany, Tushman, and Romanelli, (1992) reported that succession increased growth rates and financial returns, respectively, especially when the successors were outsiders.

The gap in this thinking however is that, if managerial succession occurred without a proportionate increase in the managerial capabilities and skill to match responsibilities, it will trigger off more crises than solving the on-going or, the impending crises of the organization. For instance, in the Nigerian context – Benue state in particular, often time government institutions face these complex scenarios when the government itself appoints a new set of management team to right the wrongs of the former team. The new team selected or appointed not appointed based on managerial capabilities, skills, and competencies of the members but based on political cleavages and interests and this often lead to more catastrophic event in the emerging organization. Therefore, our current debate is that, an underlying hyperbola should take place where, a proportionate change in managerial succession must cause a proportionate change in the gradient of managerial capabilities and competences to be able to deal with inherent catastrophic situations.

#### 2.4.1. Empirical Review

This section deals with the reviews of works scholars that are based on clear-cut observations and experimentations. In the circumstance therefore, it took a critical review of the empirical works of numerous scholars amongst whom, it has presented below, the abridged version of their models/methodologies used, their findings and the relevant weaknesses which the study has identified.

#### 2.4.2. Leadership Style, Organizational Culture and Performance

Ogbonna and Harris, (2000) conducted a study on Leadership style, Organizational Culture, and Organizational Performance. They Examined 1000 companies in the United Kingdom (UK) in order to analyze the implicit and explicit claims that both leadership and culture are linked to organizational performance and what constitute the basic nature of this relationship or associations with regard to organizational health or mortality. They adopted the use of Cronbach Alpha Co-efficient, Pearson Product Moment Correlation Co-efficient and Regression Analysis to analyze their data.

In order for them to measure culture, leadership style, and organizational performance, they decided to conduct an initial examination of field data by examining the descriptive statistics with all items measured on seven-point Likert Scale. They found out that:

- Organizational culture and Leadership style are linked to organizational performance.
- That organizational culture mediates the association between leadership style and performance.
- That Culture is difficult to measure and analyze and at worst impossible to manage.
- Ogbonna and Harris, (2000), findings reveal that, the second way in which the effects of the independent factors affect performance is in the form of effect. The two culture factors exerting a direct influence and the indirect effect of the measure of community culture are all positively linked to performance, whereas the indirect effect of the measure of bureaucratic culture is negative.
- Finally, that two of three measures of leadership style exert indirect effects while five (5) of the measures exert positive effects on organizational performance respectively.
- However, they found out that, little evidence exist to support claims of a “link between cultural strength and performance” with regard to internally oriented cultures. Nevertheless, while their results imply that, the two internally oriented cultures are “weakly and indirectly linked with performance, the total effects of such cultures on performance are such that significant managerial attention to internal maintenance appears unproductive or even damaging which can create unhealthy associations leading to organizational death or failure.” Ogbonna and Harris (2000) suggest that, “the finding of positive associations between externally oriented cultures and performance suggests that organizational culture change efforts should focus as much on generating external focus as upon creating internal cohesion and consistency.”

However, in the works of Denison (1990); Kotter and Heskett, (1992) which were just founded on the theories that merely advocated for the development of widely shared cultural values in organizations, which seems to merely liberalize their appropriateness and applications in practical situations, the results articulated by Ogbonna and Harris (2000) are grounded and founded on the propositions that, strongly held cultural values are appropriate only if the culture is geared towards the external environment. Similarly, that the appropriateness of such organizational cultural values must be directed on or, focused on the external operating environment of the organization. This proposition provides a clear linkage and empirical support for the research of Barney (1986, 1991) who argues that for organizational culture to provide a source of sustainable competitive advantage, the culture must be adaptable to external contingencies. However, they failed to specify which of the specific organizational culture that is impossible to manage. For instance, whereas ‘Community culture’ is an environmental correlate under the external environment of an organization to which it has no direct control; while the organizational culture under the internal environment can be managed and controlled by the management of the company. Secondly, their recommendation undermined the fact that there are cultural diversities across the globe taking into consideration cultural analysis from cross-country perspective. Ogbonna and Harris, (2000) contradicted their earlier stance that “management of culture is at worst impossible” by suggesting that, “strongly held values are appropriate only if the culture is geared towards the external environment”. If this holds, it means the organization will be spending and devoting all of its strategies and effort in trying to correct or manage the external community culture. For instance, since their study reflected the community culture in the United Kingdom which varies sharply with that of Nigeria, an attempt by an organization to influence community culture in Nigeria may be an effort in futility because of the multi-ethnic diversities. While this may be possible with the uniform cultural held values in the UK, it is absolutely impossible with the Nigerian cultural settings.

Similarly, Adeoye and Elegunde, (2012) conducted an empirical study on the impact of external business environment on organizational performance in the food and beverage industry in Nigeria. With the broad objective of investigating the influence of economic and political environment on organizational performance. They adopted survey research method for the study by selecting 3 organizations in the Food and

Beverage industry and questionnaire were randomly distributed to 150 respondents from the list of quoted companies in this sector. The sample was obtained by employing the stratified sampling techniques. Each of the companies was divided into strata. Data obtained were analyzed using multiple regression analysis. They found out that, the external business environment (political, economic, socio-cultural, technological, e.t.c.) have impact on organizational performance (effectiveness, efficiency, increase in sales, achievement of corporate goals e.t.c.). Thus, they recommended that, organizations should pay more attentions to their environment by doing periodic scanning.

However, the weaknesses of their study were that:

1. the study which is clearly of national interest in Nigeria did not specify a geographical coverage to give clear understanding of it having a national scope.
2. they failed to explain the degree of influence of the variables on organizations' performance in their overall analysis.
3. They could not take a categorical position on whether they actually rejected or accepted the study hypothesis which states that, "economic and political environments have no impact on organizational performance".

In same vein, Okafor, (2009) conducted an empirical work, titled, "a phenomenological qualitative study to explore the factors that hindered government-owned organizations in Nigeria from achieving operational efficiency, effectiveness, accountability, and productivity" using the Nigerian telecommunications Limited – NITEL. The methodology adopted for the study was one-on-one interviews conducted amongst 20 senior staff of NITEL at the Enugu Regional Office, and was complemented by the administration of 'semi-structured open-ended questionnaire to the 20 staff selected purposively. The findings of the study was that, "lack of leadership, performance measures, implementation of best practice strategies, and performance management systems accounted for the failure of Nigerian government-owned organizations from achieving operational efficiency, effectiveness, accountability, and productivity."

Major weaknesses were that, first, he did not cover sufficient scope in the study of the NITEL operations to depict or, capture national interest across the whole of Nigeria as stated in his study. Secondly, the sampling of opinions of just 20 staff of NITEL regional office in Enugu is statistically and empirically infinitesimal to have represented the opinions of the general public all over Nigeria who are the direct consumers of NITEL services.

On a related note, Obiwuru, Oluwalaiye and Okwu, (2011), conducted a study of the external and internal environments of business in Nigeria to evaluate the operating scenario of businesses in Nigeria. The methodology adopted was a "theoretical and narrative based on aggregative and specific SWOT Matrix and PESTLE Analysis Models. They found out that:

- ❖ both external and internal environmental factors play host or, exert influence on business and equally shape the life, growth and development of the business concern
- ❖ external environment bears more relevance to strategic management, and business adjust to external environment but control internal environment
- ❖ the government plays more of regulatory role in the business environment in some sectors of the economy, and that, though certain measures had been put in place at various levels to engender conducive business environment for private sector participation, the external factors has however, escalated the cost of doing business in Nigeria and thus, posed serious threats to firms and industries. That's notwithstanding, we notice the following gaps in their study.

1. Clear absence of statistically testable instrument to prove the empiricism and scientism of their outlined findings
2. Mere "theoretical and narrative method used based on aggregative and specific SWOT Matrix and PESTLE Analysis Models renders the method of investigation unscientific and therefore lacks concrete ground for general acceptability.
3. They failed to define the scope and population of their study and therefore resorted to providing explanations to business environment in Nigeria which somewhat appear vague – though the environmental threats outlined notwithstanding.

Ahmad (2012) conducted a study to investigate the impact of intensity of competition on the organizational performance of Jordanian industrial companies. To investigate this relationship, he selected 33 major industrial companies fully listed on the floor of the Amman Stock Exchange by the beginning of year 2010 for the survey. The methodology adopted for the survey was the application of multiple regression analysis to test the research hypotheses. In his investigation, he found out that, the intensity of market competition has appositive strong effect on organizational performance of such companies. He further maintain that, such results were predicated on the fact that, Jordanian companies have continued to face intense competition lately due to attractive investment climate of Jordanian market environment. Ahmad (2012) posits that, the results of his study was in agreement with the earlier studies of scholars such as, Konings (1998); Brown and Earle (2000); Chong

and Rundus (2004); and Nickell (2006). Ahmad's findings are based on the grounds that government provided congenial investment climate for businesses to be able to compete favorably. Which implies that, friendly investment climate breed healthy competitions amongst firms and in turn leads to high organizational performance.

The weaknesses of the study were that, though the researcher claimed that all industrial companies listed on the floor of the Jordanian Stock Exchange were studied, the number of those companies in question were not stated. Equally, the population of which was taken to be 70 with a sample frame of 33 did not state how the sample size was determined. Similarly, if the results were to be taken for value, Ahmad did not justify the claim that the sample parameters of 33 respondents is a good representative of all the industrial companies in Jordan. This will raise question of result authenticity and credibility.

Finally, Mason (2007) in his empirical study investigated the influence of the external environment on the choice of strategic management activities, from a chaos and complexity perspective, since a business environment is a complex adaptive system. He conducted the study on selected companies in South Africa. The methodological approach adopted for the study was exploratory in nature, using the qualitative techniques of case study, depth interviews and document analysis to collect data from two companies each in the information and technology (IT) and packaging industries, classified as, more successful/less successful companies.

The study found that first, it was proposed that more successful companies in turbulent environments would use radical, fast and disruptive strategies. Furthermore, strategy making should be a democratic, bottom-up process and should be organic, self-organizing, adaptive and emergent. The results confirmed these propositions. Second, it was proposed that more successful companies in stable environments would use more traditional management and strategies and more formal strategy planning activities. He posits that, the findings did not confirm this proposition, probably due to the fact that in reality a truly stable environment does not exist in South Africa.

The study revealed that, more successful company in complex/turbulent industry has a culture of acceptance and encouragement of change. Adapting and being flexible are critical abilities. They react quickly to achieve an advantage over competitors. Also, decisions around selecting technology, that time is very short. And reducing time to market.

Major weakness of the study was that the scope of the study was not stated to show if the study has a national coverage of the whole interest of South Africa business environment.

Secondly, while proving that there is need for further studies on the subject, he failed to make any specific recommendations that would be ground for general acceptability and condition for contributions to knowledge.

#### **2.4.3. The Integrative Model of the Study**

The integrative model was propounded as a new idea and advance to the existing literatures examined in line with the general theme of the study. The model which is known as the "Trilogy Model of Organizational Success (TMOS) provides an integrated link by mediating gaps palpable in both the empirical and theoretical literatures which was done at an ambidextrous orthogonality as the major contributions to the existing theories and the general body of knowledge in management as provided below.

##### **The Trilogy Model of Organizational Success -TMOS**

The 'Trilogy Model of Organizational Success' is premised on the concept that, whatever happens to the life of an organization follow a triangular mode from the environment to the organization, or from the organization to the environment and that effects of the happenings can be mediated by product or service excellence through innovation. This model firmly support the views of Edema, (2009); that, "it is critical to recognize that influence and effects flow both ways, from business to its environment as well as from the environment to business. A company must either fit its strategy to the industry environment in which it operates or be able to reshape the industry environment to its advantage through its chosen strategy; (Hill and Jones, 1995). Organizations fail because of their inability to adapt themselves to the various environments that surround their businesses. "Trilogy Model of Organizational Success" is underpinned by the concept that to manage a typical organization effectively, decision makers must adopt a triangular approach to solving organizations problems. This model suggest that, (1) on the triangular movement, individuals and environmental correlates transmit information into the organization or, organization into the environment. (2) the Organization studies the environment through explorative or exploitative learning and product development and thereby being able to identify key variables that have direct or indirect implications on the firm's survival . (3) It then innovates into its product or service, which it uses as mediation in arresting the environmental uncertainties. This customized product or customized service can come out as mediation to the organization's environment and overall re-engineering of the internal and external processes. The TMOS is also supported by the model of ambidextrous organizational performance propounded by, March, (1991); Liu, Luo and Huang (2011) which states, that organizations must learn its environments through explorative and exploitative mechanism and then innovate into its products and processes as ways of mediating environmental challenges and uncertainties. This implies that such organization is said to

be moving at ambidexterity and is called ambidextrous performing organization.

The TMOS model then posits that the effect of this movement reflect or is linked directly or indirectly on organizational performance at an ambidextrous parlance. Our current study assumes a proposition that certain individuals or groups can act as major predictors of early adherence and outcome for organizational success or failure from introduction through growth to maturity and eventual decline. These groups and individuals are analyzed in our **figure 2** below:

#### 2.4.4. The TMOS And Internal Environmental Correlates of Organizations

**i. Individuals and Environmental Correlates:** Often time little is known or said about individuals or group of individual contributions to the health and efficiency of an organization, especially, from the point of view of the Industry Life Cycle Model, ILC where emphasis is placed on product or service introduction through growth to maturity and decline; little is said about certain individuals or groups within the organization's internal and external environment that can contribute either positively or negatively to the success or otherwise of the organization's product or service. As pedagogically stated in 'figure 5' of the TMOS above, these individuals or groups act by:

- Exerting direct or indirect influence and control on organizational activities
- Seeking recognition or compulsory employment placement in organization
- Requesting or demanding for certain share of organization's benefits
- Demanding compensation for or on behalf of self or host community
- Tend to exert threat to the organization when their requests are not met etc.

**Characteristics of the Individuals:** within the intrinsic and extrinsic domain of the organization's operating environment, these types of individuals often exhibit certain traits and attributes which constantly jeopardizes the health of the firm. These characteristics include:

1. **Social deviancy:** They often hold on to the tenet of self acclaimed leadership role and would want to be untraditional and egocentric without considering the societal norms and value system of the organization.
2. **Anti-development:** such individuals do not perceive establishment of any type of industry as a cleverly defined developmental project rather, they believe in the incoming of being overly colonizing their God-giving wealth and would want to stage a stiff resistance.
3. **Claims of possessing mystical powers:** Sometimes, they claim to have direct link with the gods of the land and as such certain fees must be paid to them at designated place and time frame or else, the organization's operation will crash.
4. **Avaricious demand:** In related situations or circumstances the individual is actually an elected community leader who is relatively wealthy and rich, but would still mount unwarranted demands due to greed, on organizations operating within its jurisdiction for monetary and non-monetary compensations that are outrageous and difficult to fulfill.
5. **Morbidity and decay in social life style:** Some of the individuals claim have certain kinds of ailments that they will require organizations operating in their communities to finance their treatments and constantly will demand for such payment as compulsory if such organizations are to operate in the community and in some cases already known cases of historical prevalence of epidemic are used as parameters for requesting contributions from organizations. Others generally, are bad life style of individuals within the community that could be against the organizational internal culture and norms.

These groups and individual behaviors proportionately generate similar waves of jolt occasioned by exogenous environmental factors such as cultural norms, new technological innovations and government policies which sometimes drive existing firms into operational shocks.

- (ii) **Group:** These individuals or groups sometimes demand that certain classes or categories of persons be given employment in the organizations to represent their interests whether or not the persons have requisite knowledge, skill or qualification to match the position. Sometimes such demands are used as preconditions for establishing or citing the firm in their community. Harris, (1999) calls this group demand "undue inversion on organization". Other situations, it includes certain amount to be paid to a particular political godfather in the company's host community, (Ukpata, 2009); or occasional or unrealistic demand for payment of monetary compensation for use of land by the company; and or, request for payment of community tax that are unconnected to government taxation system.

**Characteristics of such groups:** These groups exist within and outside the organizations' environments and often portray the following characteristics:

1. **Social Pressure:** Kreitner and Kinicki, (2004) called them the "unwillingness to rock the boat" and pressure to conform may combine to stifle the creativity of contributions of individuals to the organization
2. **Dominating by a vocal few:** Sometimes the quality of the group action is reduced to the lowest ebb by

way of all the members giving in to those who talk the loudest and longest at the detriment of the organization.

3. **Logrolling:** Political wheeling and dealing often displace sound judgments of members amongst them and individual vested interest often at stake by conforming to misgivings of the vocal ones. They often represent political and ethnic cleavages in their actions to distort operations of the organization.

These environmental factors impinged negatively many a times on the success and fortunes of the firms and exert undue overhead cost pressure on overall profitability. This informed the proposition of our research model as stated below as a mediating organogram of re-engineering.

#### **2.4.5. The TMOS and External Environmental Correlates of Organizations**

**(i) Cultural Norms:** Ogbonna and Harris, (2000), findings reveal that, the second way in which the effects of the independent factors affect performance is in the form of effect. The two culture factors exerting a direct influence and the indirect effect of the measure of community culture are all positively linked to performance, whereas the indirect effect of the measure of bureaucratic culture is negative and this could result in devastating effect on the overall organizational performance if not properly managed by the management.

#### **(ii) New technology:**

Jolts in the external environment as a result of introduction of new technologies by key industry players can forced some of the **existing** firms into extinction and death. Our proposition is supported here by view of many scholars. For example, shifts or shakeouts; (Nelson, 1995) in the firm's external operating environment can lead to an upsurge of technological revolutionary innovations, propelling the wave of radical change in industrial setting, which will make new entrants to enter the market and transform the market system – just like the incidence of the Amazon.com, thereby leaving the incumbents market operators, that are unable to adapt to the dynamics of new business environment, to exit the market. Several studies; (Tushman and Anderson, 1986; Sull, et al. 1997) found that, during fundamental transformations of the environment, new firms initiate competence-destroying discontinuities to overthrow incumbent firms.

**(iii) Government Policy:** Government policies that is amongst major external environmental correlates that impinged on organizational performances, is dictated by the fact that government provides or create conducive environments for businesses to thrive. However, some of the government policy thrusts could as well forced some firms into permanent closure or failure due to strings. This could range from regulatory controls, recapitalizations, industrial reforms agenda, taxation policies, exchange control regulations, cross-country trade regulations or restrictions etc., these cause a severe operational bottlenecks for some of the firms within the same industry to cope and therefore would be forced out of the market; (Liu, Luo and Huang 2011).

Depending on the organization's internal capabilities, this situation can be managed through link to organizational learning, product development and safeguard for environmental uncertainties and the overall ability of the top-management to rethink and redirect new business processes through strategic re-engineering of the internal machinery to overcome the negative effects of the environmental correlates that would lead to failure trap.

#### **(iv) Market Competitions**

Drucker, (1975) asserts that, two things are fundamental and strategic in the survival of an organization – these are: **marketing** and **innovation**. It is not just enough for organization to produce goods and services, it is equally of greater importance for the organization to pragmatically market its products or services in order to sell and reach out with the product/ service offerings to the consumers. This requires the development of competitive marketing strategies that would beat the constantly changing competitors' strategies.

Flamholtz, (1995) states that, the challenge is not merely in identifying the market but also, if possible, to capture a 'market niche' a relatively protected place that would give the company sustainable competitive advantages. Failing to define a niche or mistakenly abandoning the historical niche can cause an organization to experience difficulties and even failure. The process of identifying the market involves the development of a strategic market plan to identify potential customers and their needs and the creation of a competitive strategy; (Liu, Luo and Huang 2011).

#### **2.4.6. Top Management Decision-making: a Trajectory for organizational Learning**

From the TMOS Model, "Top Management Decision-making" which is an internal environmental correlate is define in our model as, a mediating trajectory of the internal and external environmental correlates of the organization at which a conscious and deliberate decisions are reached by top-management to optimize the organizational learning process using exploitative and explorative learning mechanisms. Here, the internal decision-making processes are very vital to the success and failure variables. Whatever actions that are required or expected will ultimately depend on how the top-management or managers perceived the internal and external environments of the organization. If an organization fails to learn from both the favourable and the adverse circumstances, then it will result in bad-decision being made and, its system will encounter difficulty in adapting to market innovations. But when it strikes a balance between the two angles of learning, it is indeed an

‘Ambidextrous Organization’’. And indeed, it will be able to develop a product or service that would mediate the failure-trap pendulum.

### **1.3. METHODOLOGY**

#### **1.3.1. Research Design**

This research is a descriptive survey method involving the use of questionnaire. This method is concerned with the need to present, and attempts to determine the status of the phenomena under investigation.

The study adopted the correlational design. This accounts for the fact that, the study intends to observe the relationships between the variables of the study without any attempt to manipulate or control them.

The justification for the use of correlation analysis is based on the fact that the study is interested in knowing if significant relationships exist between the independent variable and the dependent variables, and whether such relationships could be due to ‘cause’ and ‘effect’ – in which case, the movement of one variable determines the outcome of the other. Correlation is therefore the most suitable statistical tool to measure this association (Akpa, 2011; and Kothari 2004).

#### **1.3.2. Area of the Study**

The study was conducted in Agro Millers Ltd, Benue Brewery Ltd., located in Makurdi town the capital of Benue State; and Taraku Mills Ltd which is located in Taraku town in Gwer Local Government of Benue State. Makurdi Local Government has an area of about 4348km<sup>2</sup> and shares common boundary with Guma, Gwer West and Gwer East local government areas respectively. Benue state is generally bordered by Kogi, Nasarawa, Taraba, Cross-Rivers, Ebonyi and Enugu states respectively.

#### **1.3.3. Population of the Study**

The population of the study is a finite one drawn from both the external and internal environments, of the organizations. This was drawn from amongst the Key Distributors of Agro Millers Ltd., Benue Brewery Limited and Taraku Mills Ltd within three major towns in Benue State which include, Makurdi, Gboko and otukpo. and from Senior Administrative Officers up to Directors selected from the State Ministry of Commerce, Industries, Mines and Agriculture. While 308 Managers, Supervisors and Administrative Officers retained in the companies were selected from the internal environment. There are currently a total of 78 major Distributors for the three companies from the towns mentioned which were selected. While the State Ministry of Commerce, Industries, Mines and Agriculture equally has 71 senior staff from the rank of Principal Administrative Officers up to Directors and that form the total population of 457 from which our sample size was determined for the study.

#### **1.3.4. Sampling Technique and Method**

The study adopted a simple random sampling method in the administration of the research questionnaire instrument within the delineated sampled population.

The reason for the use of simple random sampling is due to the nature of the population that is finite within the internal and external environment of the case study organizations that was clearly known and not too large in volume.

#### **1.3.5. Determination of Sample Size**

The sample was determined based on the above sampling procedures. The population of the study from major distributors of products of Agro Millers Ltd, Benue Brewery Limited and Taraku Mills Ltd were 78 and 71 senior staff from the State Ministry of Commerce, Industries, Mines and Agriculture, while respondents from the organizations studied were 308, giving a total finite population of 457 respondents in the external and internal environments of the companies. In view of the finite nature of the population, the study adopted the use of Burley’s formulae propounded by Taro Yamane (1973) to determine the sample size.

The formula is given as:

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

Where:

n = Sample Size

N = the finite population of the study

1 = Unity (Constant)

e = Level of significance or (limit of tolerable error) at (0.05)

#### **1.3.6. Instrument for Data Collection**

In this study, the researcher employed the use of questionnaire, rating scale (using “Five-point Likert Scale) and tests for the purposes of empirical coverage of the theoretical construct and the integration of our dependent and independent variables. Our main instrument for data collection was through questionnaire. A structured questionnaire was designed for the purpose of clarity and ease of responses expected from the respondents.

#### **1.3.7. Validity and Reliability of Instrument**

In view of the critical need of ensuring that our structured questionnaire instrument developed for this study measures what it ought to measure empirically, that is, to ensure that the instruments certify the basic

requirements of content validity, (adequate coverage of the research topic), construct validity (capacity of the instrument to actually measure the meaning of the relevant concepts/constructs of the research), the instrument was further submitted to experts in Management Sciences, and Educational Measurement and Evaluation for in-depth examination and critiquing. Their various constructive observations and criticisms have been adequately reflected and the instrument amended accordingly. In order to accomplish this task of validating the reliability of the study instrument, the study used the pre-test-retest method. In this regard, it employs the use of Cronbach's alpha ( $\alpha$ ) which is a test of the coefficient of internal consistency of an estimate of the reliability of the psychometric test of a sample of examinees.

Cronbach's  $\alpha$  formula is given as:

$$\alpha = \frac{K}{K - 1} \left( 1 - \frac{\sum_{i=1}^K \sigma_{Y_i}^2}{\sigma_X^2} \right)$$

Where:  $K$  = is the number of components (K-items or test lets),

$\sigma_X^2$  = the variance of the observed total test scores, and

$\sigma_{Y_i}^2$  = the variance of component i for the current sample of persons.

Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation among the items. Below, for conceptual purposes, we show the formula for the Standardized Cronbach's alpha:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Where:  $N$  = the number of items,

$\bar{c}$  = the average inter-item covariance among the items and

$\bar{v}$  = the average variance.

One can see from this formula that if you increase the number of items, you increase Cronbach's alpha. Additionally, if the average inter-item correlation is low, alpha will be low. As the average inter-item correlation increases, Cronbach's alpha increases as well (holding the number of items constant); (www.ats.ucla.edu/stat).

The theoretical value of alpha varies from zero to 1, since it is the ratio of two variances. Therefore our estimates of alpha is taken on any value less than or equal to 1, including negative values, although only positive values make realistic sense to us in this regard. Higher values of alpha are more desirable and more reliable. as a rule therefore, in this study, we shall require a reliability of 0.70 or higher.

The table 1 below is the result of the pre-test-retest applied to 60 respondents selected from the population using cronbach alpha co-efficient to test the reliability of the measuring instrument.

#### Reliability Test

The pre-test-retest result showed a Cronbach Alfa of .731 for the 60 selected respondents and this procedure was replicated on the study sample population of 207 and the following results were obtained.

#### Reliability Test for Sample population

**Table 1: (A) Reliability And Scale Validation Test Results**

Scale	No. Of Scale Item	Cronbach Alpha Co-Efficient	Inter – Item Correlation	
			Lowest	Highest
Organizational Performance	207	0.705	0.467	0.598
Technological changes	207	0.975	0.889	0.953
Regulatory policies	207	0.966	0.776	0.923
Cultural influences	207	0.969	0.885	0.901
Market competition	207	0.974	0.836	0.937

**Source:** Field Survey, 2014 as computed from SPSS Version 17.0.

**Scale: All Sample Variables of 207 Respondents**

#### (B) Case processing summary

	N	%
<b>Case Valid</b>	201	97.1
<b>Excluded</b>	6	2.9
<b>Total</b>	<b>207</b>	<b>100.0</b>

**Table 2: Reliability Statistics**

Cronbach's Alpha	No of items
.918	207

**Source:** Field Survey, 2014 as computed from SPSS Version 17.0.

From the above result of the total of 207 respondents selected for the study, it shows that the four variables measured against organizational performance gave a high reliability results of, 0.705, 0.975, 0.966, 0.969 and 0.974 (As per Appendix III: E) for the reliability statistics of the dependent and independent variables. While, the aggregate Cronbach's Alfa of 0.918 was obtained as against our *priori* reliability score of 0.70 hence the measurement instrument is adjudged to be highly reliable.

**1. 3.8. Data Analytical Technique**

**Test of Hypotheses:** The data obtained from the respondents were analyzed with the use of major types of descriptive statistics and parametric test statistical tools such as standard deviation for the analysis of question items in the study questionnaire. Since we are dealing with continuous variables such as, technology, regulatory policies, culture and market competitions as they impact on the performances of publicly-owned organizations, the Pearson Product Moment Correlation Coefficient (r) (PPMCC), and t- test were used to test the research hypotheses in chapter four of this work; using the Statistical Package for Social Sciences (SPSS) version 17.0. The formula is given as:

$$r = \frac{N\sum XY - \sum X\sum Y}{\sqrt{(N\sum x^2 - (\sum x)^2) (N\sum y^2 - (\sum y)^2)}}$$

**Where:**

- r = Sample Correlation coefficient
- X, y, = Sample data or scores
- Σ = Greek sigma for summation
- N = The number of paired observations (that is, the number of subjects measured on both

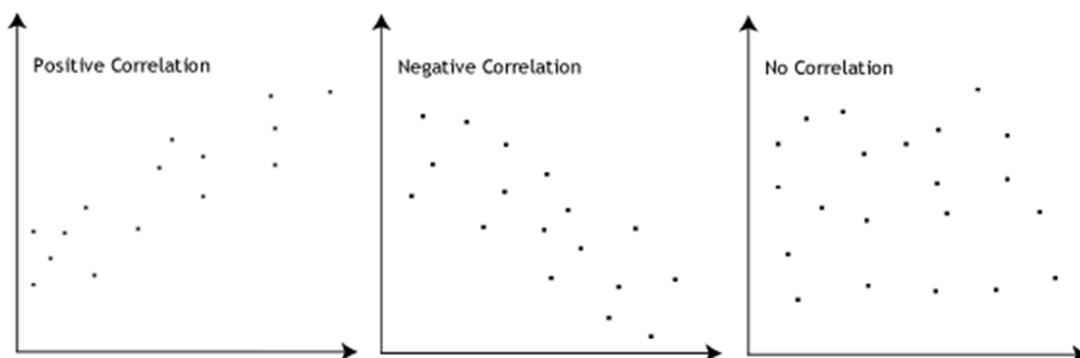
variables).

**Assumptions**

Having decided to analyze the research data using Pearson's correlation, it is pertinent and procedural therefore, to first and foremost to ensure that the data being analyzed can actually be analyzed using Pearson's correlation. To do this, it is customary to state that one can only appropriately use Pearson's correlation if the presented data "passes" four fundamental assumptions that are required for Pearson's correlation to give a valid result.

The four basic assumptions are therefore presented below as used in this research:

- **Assumption One:** This study assumed that the two variables should be measured at the **interval** scale (i.e., they are **continuous**).
- **Assumption Two:** Linearity – The study assumed that there are needs to be linear relationships between the two variables that were measured. We therefore created a scatter plot using SPSS version 17.0, where the dependent variable was plotted against the independent variable, and thereafter, visually inspected the scatter plot to check for linearity. The following scatter plots were used to assessed the linearity:

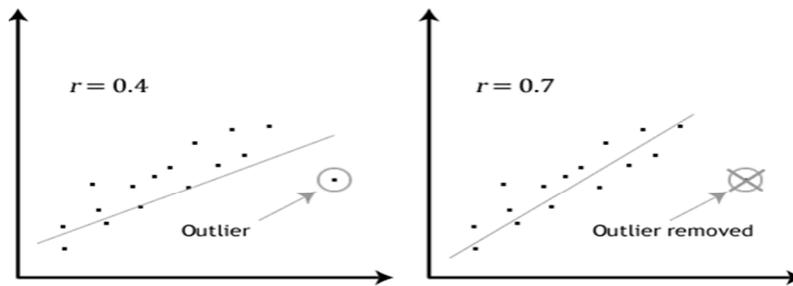


**Figure 3: Linearity Scatter Plots for Pearson Correlation**

**Source:** Lund Research Ltd, 2013 *Pearson Product Moment Correlation. Laerd statistics. www.statistics.laerd.com*

It was proposed that, the relationship displayed in the scatter plot is linear, hence Pearson's correlation can be used for the measurement.

**Assumption Three:** There should be no significant outliers. Outliers are simply single data points within the data that do not follow the usual pattern. The following scatter plots highlight the potential impact of outliers:



**Figure 4: Outlier Scatter Plots**

*Source: Lund Research Ltd, 2013 Pearson Product Moment Correlation. Laerd statistics. www.statistics.laerd.com.*

Pearson's  $r$  is sensitive to outliers, which can have a very large effect on the line of best fit and the Pearson correlation coefficient, leading to very difficult conclusions regarding the research data. Therefore, it is assumed that there are no outliers or they are kept to a minimum.

**Assumption Four:** The variables used here are approximately normally distributed. In order to assess the statistical significance of the Pearson correlation, here, we made use of bivariate normality.

#### Decision Rule

The researcher accepts the following propositions to be true with respect to decision rule; that:

- Positive correlation means that, as the influence of one attribute increases, the influence of the other attribute increases too.
- Negative correlation means that, as the influence of one attribute increases, the influence of another attribute decreases.
- Zero correlation means both attributes have no linear association or influence. Therefore, unconnected or uncorrelated.

Similarly, the second test for correlation coefficient employed is the t test, which is based on testing the hypotheses that no significant relationship exist between attributes. This means that, it will be assumed no significant relationship between any two attributes considered in pairs as hypothesized, to be able to make the test comprehensive, the researcher does the following: (1) the correlation results for  $r$  was used in the t test. (2) the t test is for sample correlation coefficient  $r$ . (3) An alpha value i.e., significance level of 0.05% was considered appropriate. This is for one tail test. Therefore, in summary, the following hold:

1. The decision region to accept or reject hypotheses within the range of sample correlation coefficient ( $r$ ):  $-1 \leq r \leq 1$  is:
  - (i) Null hypothesis,  $H_0: r = 0$
  - (ii) Alternative hypothesis  $H_1: r \neq 0$ .

If  $r = 0$ , then null hypothesis will be accepted, else rejected. Which means the alternative hypothesis will be accepted if  $r \neq 0$ .

#### 1.4. Data Presentation and Analysis

**Table 3: Paired Sample Correlation Results**

		N	Correlation	Sig.
Pair 1	Organizational Performance and Technological change	205	.848*	.000
Pair 2	Organizational Performance and Regulatory Policies	201	.946*	.000
Pair 3	Organizational Performance and Cultural Influences	202	.934*	.000
Pair 4	Organizational Performance and Market Competitions	207	-.859	.000

**Source: Field Survey (2014).**

The result on table 3, shows that Organizational Performance is highly positively correlated with Technological Changes; regulatory policies, and cultural influences at .848\*, .946\*, and .934\* respectively. Whereas, it is highly negatively correlated with market competitions with the result of -0.859. All with significant p-value at .000 (2-tailed).

**Table 4: Paired Samples T-Test**

		Paired Differences			95% Confidence Interval of the Difference		t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
Pair 1	Organizational Performance - Technological Changes	11.732	5.307	.371	11.001	12.463	31.649	204	.000
Pair 2	Organizational Performance - Regulatory Policies	14.144	4.276	.302	13.550	14.739	46.897	200	.000
Pair 3	Organizational Performance - Cultural Influence	16.366	3.886	.273	15.827	16.905	59.862	201	.000
Pair 4	Organizational Performance - Market Competitions	14.058	7.530	.523	13.026	15.090	26.862	206	.000

**Source:** Field Survey, 2014

The Samples t-Test of Organizational Performance on Technological Changes as it impacts on organizational performance shown on table 4<sup>A&B</sup>, Pp.259-260: The test shows that the cal. t value of 31.649 > critical t. value . of 1.653, with p-value of .000 (sig.2-tailed). The Samples t-Test of Organizational Performance on regulatory policies shows that the cal. t. value of 46.897 > critical t. value . of 1.653, with p-value of .000 (sig.2-tailed). Similarly, Organizational Performance on cultural influences, the test shows that the cal. t value of 59.862 > critical t. value . of 1.653, with p-value of .000 (sig.2-tailed).

Also, Organizational Performance on market competitions the test shows that the cal. t value of 26.862 > critical t. value . of 1.653, with p-value of .000 (sig.2-tailed).

#### 1.4.2. Results

From the above results on table 3 and 4 respectively, the paired sample correlation of Organizational Performance and technological changes has very strong positive correlation co-efficient of .848 and significant at  $P < 0.0001$  showing a small  $p$ -value which is typically,  $p \leq 0.05$ ) indicates strong evidence against the null hypothesis. with the mean value of 11.732, and standard deviation of 5.307 respectively. These results explain our hypothesized construct that there is a very high positive correlations between Organizational Performance of the publicly-owned organizations in Benue State and technological changes.

Similarly, the above paired results indicate a very high positive correlation of .946 between the Organizational Performance and regulatory policies with mean values of 14.144, and standard deviations of 4.276 . Similarly, in the paired values of the dependent variable – Organizational Performance with the independent variable - cultural influences, the result indicates a very high positive correlation of .934 and mean value of 16.058, and standard deviation of 3.886 respectively. Both results are significant at  $P < 0.0001$  showing a small  $p$ -value which is typically,  $p \leq 0.05$ ) indicates strong evidence against the null hypothesis. Though, These results implied that as the attributes of independent variables technological changes, regulatory policies and cultural influences in these organizations increases, the attributes of the dependent variable (i.e., Organizational Performance) also increases at a very high positive direction. This condition however, does not vitiate effect of the inter item relationships between the realities of the influences of the variables mediating on the association between top management decision making, technology, market competitions and regulatory policies.

Contrary however, there is a high negative correlation of -.859 between Organizational Performance and market competitions with the mean value 14.058 and standard deviation of 7.530 respectively. Interestingly, the high negative correlation between the Organizational Performance and market competitions indicates that the negative relationship between the variables suggests that as the attributes of one variable increases, the attributes of the other decreases at a very high negative direction. This means that, organizational performance and market competition are negatively correlated.

#### 1.4.3. Test of Hypotheses

Hypothesis One ( $H_01$ ) Testing

The hypothesis states that:

H<sub>01</sub>: There is no relationship between technological changes and the performance of publicly owned organizations in Benue State.

From decision rule as states earlier that when  $t_{cal} \text{ value} > t_{tab} \text{ value}$ , we reject the H<sub>01</sub> and accept H<sub>A1</sub>. This implies that as the  $t_{tab} \text{ value} < t_{cal} \text{ value}$  (i.e.  $1.653 < 31.649$ ), as shown on table 43<sup>A & B</sup>, we reject the 'null' hypothesis and accept the alternative. Which means that, there is relationship between technological changes and the performance of publicly owned organizations in Benue State.

Hypothesis Two (H<sub>02</sub>) Testing

The hypothesis states that:

H<sub>02</sub>: "There is no relationship between regulatory policies and performance of publicly-owned organizations in Benue State."

From the analysis in table 44<sup>A & B</sup>, Pp. 246, the  $t_{tab} \text{ value} < t_{cal} \text{ value}$  (i.e.  $1.653 < 46.897$ ), we reject the 'null' hypothesis (H<sub>02</sub>) and accept the alternative which states that, "There is a relationship between regulatory policies and the performance of publicly-owned organizations in Benue State"

**Hypothesis Three (H<sub>03</sub>) Testing**

This hypothesis states that:

**H<sub>03</sub>**: "There is no relationship between cultural influences and the performance of publicly-owned organizations in Benue State."

In testing this hypothesized relationship, **table 45<sup>A & B</sup> Pp.248**, the  $t_{tab} \text{ value} < t_{cal} \text{ value}$  (i.e.  $1.653 < 59.862$ ), we therefore reject the 'null' hypothesis (H<sub>03</sub>) and accept the alternative which states that, "There is relationship between cultural influences and the performance of publicly-owned organizations in Benue State."

**Hypothesis Four (H<sub>04</sub>) Testing**

The hypothesis states that:

**H<sub>04</sub>**: "There is no relationship between market competitions and the performance of publicly-owned organizations in Benue State."

In testing this hypothesized relationship, stated in **table 46<sup>A & B</sup> Pp.250**, it equally shows that the  $t_{tab} \text{ value} < t_{cal} \text{ value}$  (i.e.  $1.653 < 26.862$ ), we therefore reject the 'null' hypothesis (H<sub>04</sub>) and accepted the alternative which states that, "There is relationship between market competitions and the performance of publicly-owned organizations in Benue State." These results implied that the four null hypotheses were rejected and the alternatives accepted.

#### 1.4.4. Findings and Discussions

Following the analysis of the results, through the test of hypotheses and examination of the inter item correlations of the variables investigated, the following findings were obtained:

It was discovered that:

- Technological changes highly influenced the performance of publicly owned organizations which implicated top-management decision making on non-adoption of new technologies in publicly owned organizations in Benue State.
- That there is a very high positive correlation between the performance of publicly owned companies in the state and technological changes.
- That there is no substitute to production and service excellence outside the use of technology; and that, even quality control system must be technologically driven to avoid human manipulations of figures and reports to the detriment of consumers of the products.
- That the publicly owned organizations were unable to stay ahead of competitors due to inability to do away with obsolete equipment that are not meeting up with modern business needs.
- the State regulatory policies contributed to the poor performances and eventual failures of some of the publicly-owned organizations in the 80s and 90s; up to the present time.
- there were rampant changes and inconsistencies in the state governance and leadership system that could not allow continuity in the administrations and leadership of these State commercial institutions.
- as a result of instability in governance, most of policy thrusts of the state government are short-ranged so that the government of the day will use that to further their selfish political interests.
- The government tends to disfavor any long-term strategic policy that will not benefit individual political class immediately.
- policies advanced for the administration and management of these publicly-owned commercial institutions are not tailored towards profit orientations but merely to allocate national cake to political and ethnic cleavages and as such causes ultimate collapse of the institutions.
- The findings of the study suggests that, elements of traditional values pose serious challenge to African Managers' ability to adopt traditional and modern practices than can improve the effectiveness of leadership in their organizations.
- The finding of indirect links between the forms of leadership style and organizational performance

supports the proposition developed earlier by Ogbonna and Harris (2000), leading to the view that, sufficient evidence is found to argue that the link between leadership style and performance is mediated by organizational culture.

- Consequently, based on theories which suggest that leadership style and organizational culture are linked, it was discovered that organizational culture mediates the association between leadership style and performance.

Hypothesis Four: It was discovered that,

- Though the hypothesis tested showed a very high negative correlation between organizational performance and market competitions as dimensions of external environmental correlates, the P-value showed a statistically significant relationship between the variables.
- Evidently, the negative movement of the attributes of the dependent and independent variable holds an explanatory view that, often time management ineptitude and insensitivity to market dynamics does not foreclose the fact that forces of demand and supply will always play host to beating producers' philosophy and thinking because consumers will respond adequately to these forces.
- Finally, it was found that, even some times, pressures from regulatory bodies forced the organizations' leadership not to respond appropriately to these market dynamics thereby resisting learning new innovative ways of doing businesses despite persistent competition threats from the market.

#### **1.4.5. Implications of Findings on the Organizations' Performance in Benue State**

Arising from the nexus of the research findings, the study has articulated some implications that have directly affected the performance of the organizations negatively leading to their failure. These implications were that:

- ❑ The Top-Management (Boards) of some of the organizations resisted changing their obsolete production processes by not introducing latest technologies that would have enhanced productivity and speedy service-delivery.
- ❑ Distributors now prefer rival companies where they can order for goods on-line and get immediate feed-back on product prices and deliveries..
- ❑ In view of the non availability of organizational culture/norms to guide and regulate staff conduct, it has given rise to staff misbehaviors which had contributed to inefficiency and lack of effectiveness in the organizations.
- ❑ It also had implication for top-management perceptions of the external and internal environmental variables, which exerted pressure on organizational mortality that had negative effect on the organizations' workforce.

#### **1.4.6. Summary and Conclusion**

The main thrust of this study was informed by the rapidity and degree with which the government-owned commercialized industries have experienced operational decline and liquidation syndrome in recent times orchestrated by poor and lack of human capital investment; particularly in Benue State. From the analysis of data carried out and the plethora of literature works examined the study discovered the following findings:

- Technological changes highly influenced the performance of publicly owned organizations which implicated top-management decision making on non-adoption of new technologies in publicly owned organizations in Benue State.
- That there is a very high positive correlation between the performance of publicly owned companies in the state and technological changes , regulatory policies, and cultural influences. Whereas, there was a very high negative correlation between market competitions and the performances of the organizations.
- That there is no substitute to production and service excellence outside the use of technology; and that, even quality control system must be technologically driven to avoid human manipulations of figures and reports to the detriment of consumers of the products.
- That the publicly owned organizations were unable to stay ahead of competitors due to inability to do away with obsolete equipment that are not meeting up with modern business needs.
- The State regulatory policies contributed to the poor performances and eventual failures of some of the publicly-owned organizations in the 80s and 90s; up to the present time.
- There were rampant changes and inconsistencies in the state governance and leadership system that could not allow continuity in the administrations and leadership of these State commercial institutions.
- As a result of instability in governance, most of policy thrusts of the state government are short-ranged so that the government of the day will use that to further their selfish political interests.
- The government tends to disfavor any long-term strategic policy that will not benefit individual political class immediately.
- policies advanced for the administration and management of these publicly-owned commercial institutions are not tailored towards profit orientations but merely to allocate national cake to political and ethnic cleavages and as such causes ultimate collapse of the institutions.
- The findings of the study suggests that, elements of traditional values pose serious challenge to African

Managers' ability to adopt traditional and modern practices than can improve the effectiveness of leadership in their organizations.

- The finding of indirect links between the forms of leadership style and organizational performance leading to the view that, sufficient evidence is found to argue that the link between leadership style and performance is mediated by organizational culture.
- Consequently, based on theories which suggest that leadership style and organizational culture are linked, it was discovered that organizational culture mediates the association between leadership style and performance.

From the preceding reviews, failure concept in business organizations has widely been discussed and defined. Even though disagreements exist among scholars on what constitute organizational failure and how it occurs, but yet, there are couples of research findings that have agreed that failure seems to be a natural phenomenon in the annals of organizational history all over the world. Similarly, we noticed from the previous reviews that industrial failure or decline will continue to take place because business operating environments vary widely from place to place and from country to country. In addition, people who manage these organizations are equally different and vary sharply in terms of culture and environmental backgrounds resulting from regional or racial differences and diversities that gave rise to the ways and manner in which these people perceived organizational problems and managed them. Different leaders and managers emerge and go. In Nigeria, it is a popular saying that, "soldier go, soldier come – barracks remains." The crux of the analysis is, different people with different approaches to governance and institutional management. Even within the same geographical setting, different leaders build different teams and groups they feel they can work with in their organizational set-up. Organizations exist to meet the needs and wants of a society. They use inputs from the environment and transform them into outputs such as food, clothing, housing, medical care, transportation as well as other things that add meaning to human existence (leisure and recreation). The extent to which these organizations achieve their objectives depends on several factors. Many organizations have failed to meet the objectives or purposes of their formation.

This study earlier proposed an integrative frame work of TMOS for all learning organizations which is predicated on the ideology the top-management decision making plays a pivotal role in the internal and external environments of emerging learning organizations. The model presupposes that, whatever happens in the internal and external environments of organization follows a triangular movement in such that both the internal and the external environments transmit information into the organization which the organization's top-management decision-makers perceives, learns and react to the correlates through product or service mediation and then transmit as feedback-loop into the external environment again. In this regard, and "Ambidextrous learning trajectory is created through explorative and exploitative learning mechanisms. The model therefore is rooted on the notion that that whatever challenges palpable from internal and external environmental correlates of organization all depend on how the top-management perceives the factors as either as failure or success factors. For instance, some organizations may perceive the arrival of rivalry products or services as a way getting incumbent out of the market, others may see such as an opportunity for them to creatively redesign, repackage and rebrand to cripple the in-coming product/service from making inroad since they have established long standing reputation in market as goodwill.

On a theoretical level, our study model was formulated to explain the relationship among, exploitative learning, explorative learning, new product development, environmental uncertainties and firm's performance; and on the empirical level, it examines these relationships in the emerging realm of organizational success context. Hence our results in the analysis support the Liu, Luo and Huang (2011) who maintain that, both explorative and exploitative learning have inverted U-shaped relationship with firm's performance and that these two types of learning can work as compliment. Next, new product development – NPD works, as mediator between explorative, exploitative, and firm's performance. Furthermore, the respective relationships between learning and firm's performance are moderated by environmental uncertainty.

The initial proposition relating to this research variable was the hypothesis formulation which presupposes that "there is no relationship between cultural influences and the poor performance of publicly-owned organizations in Benue State. It anchored on seeking for answer to the propelling research question, which says, what is the degree of cultural influences as correlates with the poor performance of publicly owned organizations in Benue State? In trying to answer the research question, questions 11 – 15 were designed with the aim of aiding the respondents reacting appropriately to the question.

The result of the third hypothesis is consistent with our 'Alternative hypothesis ( $H_1$ ).' It indicates that, there is a relationship between cultural influences and the failures of government owned companies in Benue State. This led to the rejection of the "null" hypothesis.

This position crystallizes the fact that the impact of culture on modern organizational performance is a very critical issue world over and in Africa as a whole. African management scholars have greatly perceived that African traditional concepts have over the year shaped how African managers manage and conduct the

affairs of their organizations.

Pertinent to mention is that, the issues related to culture and management in developing countries is a continuing focus of academic interest. However, there remains paucity of published work on how culture affects management practices in Sub-Saharan. Development of management and leadership styles in Africa require knowledge of the effects of culture on management and leadership.

In the analysis of our study result, the correlation analysis show that, cultural influences are moderately negatively correlated to organizational performance by correlation result of -0.326 while the descriptive statistics indicates a mean value of 3.28300, with standard deviation (Std.) of 0.482686 and standard error of 0.215864. This justifies the position that cultural influence seriously mediates the association between traditional leadership style and the organizational performance as occasioned by the responses received from the field.

This research work has demonstrated a clear intellectual discourse by examining the environmental correlates of organizational failure and by applying the use of the “Trilogy Model of Organizational Success – TMOS as a tool for effective management of state owned organizations in Nigeria and Benue State in particular. Judging from research questions raised and the specific objectives articulated for this investigation, upon which we formulated our hypotheses, our findings have proved that, the success and failure of government-owned organizations in Nigeria and Benue state or elsewhere in the world is occasioned by both the external and internal environmental factors. Similarly, none of the exogenous and endogenous variables should be treated in isolation for playing host exclusively to organizational successes and failures as jolts in the two different environments all have very direct and indirect influence on the organizations’ performances.

Similarly, due to technological advances and globalization of the world economy which has hitherto triggered off high level market competition, creating a wave of the ‘survival of the fittest’, the results of this work assumed a correlation between investing in the development of the organization’s ability to constantly adapting to the wave of new changing technologies facing firms’ operations, corporate cultural integration with community culture and the consistent and effective government policy thrust that would stand as catalyst for operational efficiency. The result assumed a position that this can be achieved only through ambidextrous learning which will gulp-in both internal organizational strategies and learning the arts and strategies of competitors which in turn could be used for product and service mediation for the external environmental redefinitions and realignment of uncertainties. It suggests this as one of the major determinants for the organization to have a competitive advantage in their key operations in the market place nationally and internationally.

In same vein, it was obvious that community cultural diversities in Nigeria especially the Benue state exerted heavy influence on the performances of these publicly owned organizations to the extent that, some of the major and minor cultural groupings were constantly placing constant demands on these organizations such as employment of persons, qualified or unqualified, payments of certain financial dues to host communities, representation of some cultural sub-groups in the organization’s Board appointment etc at the detriment of the overall performance of the organizations. These aspects of cultural influences must thoroughly be addressed by state government so as to enable the organizations integrate properly with the community culture. Also, for any profit-oriented firm to maintain a lead in its area of operation, it is of great importance that such organization must not treat its human resource with levity but as the most valuable assets of the organization.

In our attempt in trying to determine whether government owned organizations in Benue State consciously pursue the goal of investing in the development of their human capital for competitive advantage, our results exposed some useful underlying facts that, from the pre-colonial through colonial to the post-colonial era, organizations in the area have been operating under politically induced labour force system which is characterized by low capacity building and poor development of skilled labour according to Odey, (2000); that could manage the resources of these organizations effectively. The result has been, putting a square pegs in a round hole – which has led to massive collapse of some of these companies and perennial distress syndrome that has wane their operational efficiency, and effectiveness.

Furthermore, some of the employees of these government owned companies – especially Taraku Mills Ltd, Benue Brewery Ltd., and Agro Millers Ltd which are our selected case study, were not given opportunities for any generic or non-generic on-the-job or off-the-job training to bridge the gaps prevalent in the training and retraining of these employees for competitive advantage. This has greatly hampered the organizations’ overall learning processes.

Similarly, some who were employed to function in sensitive positions in these companies do not possess technical and professional competencies to enable them function skillfully in their given assignments.

In same vein, not only training and retraining of workforce that is key to organizational success and survival, but also, the organizational ambidextrous learning through explorative and exploitative would enable it create a high level propensity towards innovative measures into new products and processes. This can be used to mediate threatening internal and external environmental factors that could lead to failure trap.

In our TMOS model the study clearly showed the orthogonal effects on the system as ambidextrous

learning organizations. This orthogonality suggests that an organization that would adopt a single method of learning and avoid ambidexterity would be endangered species of failure trap trajectory. We therefore advocate for organizational performance at ambidexterity as key to organizational success.

Based on the peculiarity of the results and findings outlined in this survey, the researcher has come up with a list of useful recommendations and suggestions as stated below.

#### 1.4.7. Recommendations

Based on the statistical tools used in analyzing data in this work, which provides the basis for our decisions regarding the hypotheses formulated in this work, the study has been able to specifically advance some useful recommendations as stated below:

1. Publicly-owned organizations in Benue state should adopt a high sense of commitment of reshaping and integrating their internal organizational culture with the community culture through adaptation in order to arrest leadership misbehaviors that are caused by cultural differences in the way organization's key decision-makers manage the affairs of the organizations; this should be integration rather than control as is extremely difficult to control the organization's community culture.
2. Government should ensure long-term strategic policy formulation that would be sustainable, transparent, realistic, justifiable and attainable to help the publicly owned companies overcome incessant political interference on the organizations' management
3. The organizations should sensitize the host community members to be wholly involved in safeguarding the assets of the publicly owned organizations instead of engaging in vandalizations that had forced some of them to shut-down operations permanently
4. The study recommended that the Benue State owned organizations should do away with their obsolete equipment such as some of the production machines that are not meeting up with producing goods at high speed and quality to satisfied customers increasing demands. And also, they should introduce the modern communication system into their operation to enhance speed in their service delivery to customers.
5. It was recommended that they should engage in benchmarking operations with similar organizations being owned by other state governments in Nigeria to be able to know areas that require developing competitive strategies that will beat the activities of the major competitors. It is equally important to extend such benchmarking activities to even private sector organizations operating in the same industry with the government owned organizations.
6. The organizations should also computerize their operating system by introducing real-time on-line businesses such as Electronic business (E-business) through which they can easily be assessed by all customers, such as suppliers, creditors, consumers, government agencies and other stake-holders. They can equally advertise their products and services through the internet services.

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