

**BUSINESS ENVIRONMENTAL FACTORS AND COMPETITIVENESS
AMONG PHARMACEUTICAL COMPANIES IN KANO METROPOLIS
NIGERIA**

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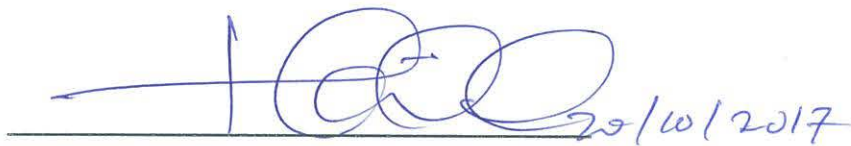
OCTOBER, 2017

DECLARATION

I declare that this dissertation is my original work and has not been presented to any University or Institution of Higher learning for a degree or any other academic award.

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A handwritten signature in blue ink, consisting of a stylized 'Z' followed by several loops, and the date '20/10/2017' written to the right of the signature.

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APPROVAL

We confirm that the work reported in this dissertation has been carried out by the candidate under our supervision.


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DEDICATION

Dedicate this dissertation to my parents Alhaji Uba Bala (late) and Rukayya Idris (late) may Allah bless their souls and grant them eternal rest. Amen.

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LIST OF ABBREVIATIONS

DHDR	Directorate of Higher Degrees and Research
R&D	Research and Development
WHO	World Health Organisation
UN	United Nation
CBN	Central Bank of Nigeria
MAN	Manufacturers Association of Nigeria
STEEP	Social Technological Economic Environmental and Political
USA	America United States of
PACE	Pollution Abatement and Control Expenditures
PIMS	Profits Impact of Marketing Strategies
RBV	Resource Based View
NSE	Nigeria Stock Exchange
CVI	Content Validity Index
NWUK	North West University
BUK	Bayero University Kano
SPSS	Statistical Package for Social Scientists
KMO	Kaizer Meyer Olkhiem
VIF	Variance Inflation Factor
KACCIMA	Kano Chamber of Commerce Industry Mines and Agriculture

ABSTRACT

This study was conceived to investigate the business environmental factors and determine their relationship with the competitiveness of pharmaceutical companies in Kano Metropolis North Western Nigeria. The study comprises of thirty two pharmaceuticals manufacturing companies. The study adopted a descriptive correlation and cross sectional survey designs. Both qualitative and quantitative approaches were employed. Three hundred and twenty (320) researcher-devised questionnaires were distributed to respondents comprising personnel in sales, distribution, pharmacists, distributors and dealers of the companies of manufacturing pharmaceutical companies in Kano Metropolis, Nigeria. Thirty two (32) Management questionnaires were also distributed to management staff in an attempt to capture data on areas which were assumed only top managers could have the privilege of having such information. Interviews were conducted with five key respondents who are management staff and senior staff of the companies being investigated. The study found a significant relationship between business environmental factors and competitiveness among the pharmaceutical companies in Kano metropolis, leading to the rejection of the null hypothesis of no significant relationship between business environmental factors and competitiveness, the study also found a negative insignificant relationship between business strategy and competitiveness. Using hierarchical regression the study also establishes a non significant moderating effect of business strategy on competitiveness. This leads to the non rejection of the null hypothesis of no significant mediating effect of business strategy on competitiveness. All these findings have a far reaching effect on the firms in the study and therefore, the study recommends among others that; pharmaceutical companies in Kano metropolis should explore the environment more, because there is positive correlation between factors in the environment and their competitiveness.

Key words: *Competitiveness, environment, pharmaceuticals, significance, respondents*

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study:

1.1.1 Historical Background

The Pharmaceutical Industry is the world's largest industry due to the worldwide revenues of approximately \$2.8 trillion (US Dollars); the industry has seen major changes in recent years that places new demands on buyers, providers and manufacturers,(Saxena, 2014). In the same vein, Soludo, (2011) opined that the global pharmaceutical industry is an oligopolistic market US \$ 900 billion, consolidated mainly in the United States of America and Japan with the Asia pacific as new frontiers, and dominated by fifteen global conglomerates. The pharmaceutical industry is characterized by high dose of research and development (R&D) and aside from the generic drugs, is subject to patent rights. Another peculiarity is that it is heavily regulated.

Nigeria is a densely populated country, with a population of +140 million people according to 2006 population census figures, Nigeria' former president Obasanjo, (2014) estimated Nigeria's population to have risen up to 17.8 million people, with a per capita income of \$988 per year (2007). In the year 2000 Nigeria's Health system was ranked at 187th out of the 191 member states of the World Health Organization (WHO). Nigeria's private manufacturing sector is relatively small despite its size and its economy being the biggest in Africa, the manufacturing sector's share to the GDP is put around 4%. In a move to promote manufacturing the government has placed various protective measures including a ban on imports of certain products, and since the year 2000, forty products have been added to the banned products list some of which includes pharmaceutical products in an attempt to improve domestic manufacturing, (Global UNIDO Project, 2011).

Several literature and public pronouncements by senior government officials and stakeholders in the pharmaceutical sector and academicians portray a persistent lack of lack of competitiveness of the entire manufacturing sector, which has been bedeviled by challenges from the business environment. Obasanjo, (2014) asserted that capacity utilization of Nigeria's indigenous industries is at 50%. The competitiveness of the pharmaceutical sector in an area of great significance to all because of its critical role in all nations of the world, not only that many scholars have attested to the fact that firm level competitiveness can translate to a nations competitiveness after all it is the firms not nations that produce and compete among each other.

The challenge of providing qualitative healthcare system for a country like Nigeria is enormous with a rapidly growing population, the biggest in Africa. However, many indicators point to a lack of competitiveness on the part of domestic pharmaceutical companies who are an integral and important part in providing basic drugs and medicine for the objective to be achieved. As a result the country is heavily dependent on imports of pharmaceutical products even from China, India and from Egypt. According to (Gumel, 2004), Nigeria's pharmaceutical imports reached a value of \$481 million in 2013 and are expected to gain increase at 10% to reach \$789 million by 2018 widening the country's pharmaceutical trade deficit from \$475 million in 2013 to \$ 778, million in 2018. The performance and competitiveness of the manufacturing pharmaceutical companies is however, a cause of worry for stakeholders including the government. A former Governor of the Nigeria's Central Bank (CBN) Soludo, (2011), asserted that on cost considerations, Nigerian manufacturing pharmaceutical firms do not have competitive nor comparative advantage as compared to companies from other parts of the world; and those local manufacturing firms have been losing market shares in the domestic market let alone being competitive in the international market. There is also none of the Nigerian pharmaceutical companies certified by the World Health organization (W.H.O).

1.1.2 Theoretical background

(1) Resource Dependency Theory

The Resource Dependency Theory is the study of how the external resources of organizations affect the behavior of the organization. The procurement of external resources is an important tenet of both strategic and tactical management of any company, (Pfeffer and Salancik, 1978).

Resource dependency theory is concerned with how organizational behavior is affected by the external resources the organization utilizes. The basic assumptions of the theory are:

1. Organizations are assumed to be comprised of internal and external coalitions which emerge from social exchanges that are formed to influence and control behavior.
2. The environment is assumed to contain scarce and valued resources essential to organization survival. As such the environment poses the problem of organizations facing uncertainty in resource acquisition.
3. Organizations are assumed to work towards to inter related objectives: acquiring control over resources that minimize their dependence on other organizations, and control over resources that minimize their dependence on other organizations on themselves. Attaining either objective is thought to affect the exchange between organizations, thereby affecting an organizations power.

(2) Competitive Advantage Theory

Competitive advantage theory seeks to answer some of the weaknesses of comparative advantage theory earlier developed by Schumpeter. The theory was developed by Michael Porter in his work Competitive Strategy (1980), which emphasizes productivity growth as the focus of national growth. The term competitive advantage means the ability to have an upper hand over others through the use of attributes and resource to perform at a higher level when compared with others in the same industry or market.

This theory was letter modified to suit private business entities that wishing to have competitive advantage (lower cost or differentiation) over other entities.

(3) Contingency theory

The contingency theory was developed by Mintzburg (1981) the basis tenants of the theory were based on the assumption that organizations structure their internal processes and behaviors to the contingencies they face. This means that enterprise's structure and strategy should vary depending on the contextual situation. The theory argues that organizations adapt their structure in accordance with the contexts, if they are to perform better.

1.1.3 Conceptual background

Business and management research is full of literature pertaining business environment; the reasons for this are not farfetched. Scholars such as Clifton, Garvin and Andrews, (2014) observed that awareness of the environment is not a special project to be undertaken only when warning of change becomes deafening. In the same vein, Nordemeyer, (2012) is of the view that successful businesses adapt their internal environment to the external environment, and that a company must perform an environmental analysis (scanning) to identify the potential influence of particular aspects of the general operating environment on business operations in a regular basis. According to Daft, Sormunen and Parks, (1988) environments create both problems and opportunities for organizations. Organizations depend on the environment for scarce and valued resource, and often must cope with unstable, unpredictable external events. The environment perhaps more than any other factor, affects organizational structure internal processes and managerial decision making. Davis, (2005) suggested a framework of undertaking environmental analysis in the pharmaceutical sector; in which he identified the following areas for analysis: the general economy, legal environment, ecological factors, potential suppliers, material suppliers, government and political climate, technological factors, socio-cultural factors, labor supply, and service providers.

In this study the independent variable, business environment factors was conceptualized as consisting of legal environment, existing and potential suppliers, technological factors, and socio cultural factors

Competitiveness is an elusive term which despite its widespread use particularly in economics and business cycles has become a constant subject of debate and constant reassessment. Dunning, (1995) Porter, (1990) believes that competitiveness is a concept which is still not yet defined.

In a related development, Hung and Chang, (2010), are of the opinion that a firm's competitiveness is its economic strength against its rivals in the global market place where products, services, people, and innovation move freely despite the geographical boundaries. Porter and Rivkin, (2012) postulate that the wide misconception about the concept of competitiveness has dangerous consequences for political discourse as well as policy and corporate choices that are also evident today. In the same perspective, Liagovas and SKandalis, (2010) further asserted that the term competitiveness is one of the most commonly used terms in economics, there is no precise enough definition, what this means is that there is no generally accepted definition of competitiveness. They further asserted that various financial performance measures are often used for measuring competitiveness of firms, for example returns on sales, returns on assets, returns on equity etc however, several non financial performance indicators are also important such as market share growth, overall customer satisfaction, management competence etc. Ability to develop and deploy capabilities and talents far more effectively than competitors can help in achieving world class competitiveness (Smith, 1995).

A strategy is an action plan which enables managers to achieve certain goals and objectives. A firm's business level strategy is that basic theme which a company emphasizes to compete effectively. Daft, (2005) observes that for a business strategy to be effective it must be formulated to cover and encompass across all the functional areas of a firm. Business level strategy helps managers to build a competitive

advantage. A firm's business level strategy is that basic theme which a company emphasizes to counter challenges and compete effectively with its rivals in an industry.

1.1.4 Contextual background

The state or nature of Nigeria's business environment has been severally documented by researchers many of whom concluded that, the environment is not conducive for manufacturing firms, for example, Onouha, (2013) concluded that in addition to competing with cheaper imported goods, Nigerian manufacturers are also facing the problem of fake and counterfeit products. These counterfeit and smuggled goods have practically displaced local brands in the market in all sectors of the manufacturing sector. In a related development Egbotokun, (2011) observed that, manufacturing companies in south west Nigeria operates in a challenging environment characterized by inappropriate policies, lack of transparent governance and weak industrial capabilities. However, what has not been established is the extent of the relationship between the factors in the Nigerian business environment and their competitiveness. Folorunsho, (2015) stated that Nigeria loses about 800,000 children yearly to preventable diseases, related to this is also the loss of jobs due to widespread closure of pharmaceutical companies due to adverse challenges from the business environment. According to Borodo, (2008) cited in Onouha, (2013) between the year 2000 and 2008, about 820 manufacturing companies have closed down or suspended production, 60% of them are ailing, while only 10% of them mostly multinationals currently operate at sustainable level. This therefore, paints a gloomy picture of the Nigerian manufacturing companies.

Kano state is one of the thirty six states in Nigeria. It is the most populous and vibrant in terms of economic activities in the entire Northern part of the country and the state with the highest population over 12 Million people (Census, 2006) figures. It is estimated that there are more than one hundred and forty (140) pharmaceutical companies engaged in manufacturing, marketing and distribution of various pharmaceutical products in Nigeria, (Gumel, 2014). Kano is certainly a vibrant

pharmaceutical market for pharmaceutical products due to its large population +12 million people, (Census, 2006) and the presence of many healthcare facilities. It is estimated that thirty five pharmaceutical companies are actively involved in manufacturing, distribution, and marketing of pharmaceutical products in Kano state, (Kano chamber of commerce, 2014). The competitive nature of the businesses in Kano state is not any way different from that of the entire country, although there are no established facts about the state of the competitiveness of pharmaceutical companies in Kano state; the evidence from available data points a gloomy picture of the state of competitiveness of manufacturing companies in Nigeria. It has been established that 66.5% of manufacturing companies in Kano state have closed down due to various challenges, (MAN, 2014) Onyemenam, (2004) also established that one of the most important determinants of firm level competitiveness in Nigeria is infrastructure especially electricity. It was established that 66.7% of firms generate electricity own their own, and that power is the most single important constraint to productivity and competitiveness.

1.2 Statement of the Problem

In Nigeria, pharmaceutical companies play important roles in the supply of pharmaceutical products which are critical to human survival. However, many life saving drugs, and other vital pharmaceutical products are not manufactured locally. Onouha, (2013) stated that between the year 2000, and 2008, about 820 manufacturing companies (pharmaceutical manufacturers included) have closed down or suspended production, 60% of them are ailing, while only 10% of them mostly multinationals currently operate at sustainable level.

Adeluyi, (2014), observed that only about thirty percent (30%) of Nigeria's domestic drug capacity is being utilized. This view is in line with Olaopa, (2013), the president of the Pharmaceutical Manufacturing Group a branch of the Manufacturers Association of Nigeria (PMG-MAN) who concluded that the pharmaceutical industry in Nigeria operates at less than 40%, despite the various efforts of government to alleviate this problem,

such as concessions and waivers on import duties, for all pharmaceutical raw materials in the pharmaceutical sector. A former governor of the Central Bank of Nigeria (CBN), Soludo, (2007) further asserted that the country's Pharmaceutical firms cannot compete on cost considerations in the sector, because the risk-adjusted rate of return on investment is comparatively very low, and the local manufacturers have been consistently losing market shares in the local market let alone being competitive in the international market. The major consequences of all these are that Nigeria spend a lot of foreign exchange in the importation of pharmaceutical products, \$481 million as at 2013, by 2018 it is expected that Nigeria's trade deficit will reach \$778 million up from \$475 million in 2013 (Gumel, 2014) and also the attendant loss of jobs due to closure of domestic pharmaceutical manufacturing companies. According to KACCIMA, (2013) in the last six years from the year 2010 more than 55% of the pharmaceutical manufacturing companies in Kano state have either close down or are operating at less than 50% capacity. Similarly, Madugu (2015) confirmed that a survey conducted by manufacturers association of Nigeria Kano state chapter, reveals that the business environment in Kano state is not conducive for manufacturers, as a result of many factors such as multiple taxation, poor electricity supply, distance from the ports, lack or absence of regular international flights to Kano etc.

1.3 General Objective

The main objective of the study is to investigate the relationship between business environmental factors and competitiveness.

1.3.1 Specific objectives

1. To investigate the relationship between legal environmental factors and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria.
2. To investigate the relationship between existing and potential suppliers and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria.

3. To determine the relationship between technological factors and competitiveness among pharmaceutical companies in Nigeria.
4. To establish the relationship between socio cultural factors and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria.
5. To determine the moderating effect of business strategy on business environmental factors and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria.

1.3.2 Research questions

1. What is the nature of the relationship between legal environmental factors and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria?
2. What is the extent of the relationship between existing and potential suppliers and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria?
3. What is the nature of the relationship between technological factors and competitiveness among the pharmaceutical companies in Kano metropolis?
4. What is the relationship between socio-cultural factors and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria?.
5. What is the moderating effect of business strategy on business environmental factors and competitiveness among pharmaceutical companies in Nigeria?

1.4 Scope

1.4.1 Geographical Scope

The study was conducted in Kano metropolis. It is located in North Western Nigeria. The metropolis consist of eight metropolitan local government areas of the state, these are; Dala, Fagge, Gwale, Kumbotso, Municipal, Nassarawa, Tarauni and Ungogo. The metropolis is the most densely populated and the most urban part of Kano State over 12 Million people (Census, 2006).

1.4.2 Theoretical Scope

Resource Dependency theory Pfeffer and Salancik, (1978) underpins this study. The theory proposes among others that, organizations behavior is affected by the external resources the organization utilizes. The environment is assumed to contain scarce and valued resources that are essential to organization's survival. As such the environment poses the problem of organizations facing the problem of uncertainty in resource acquisition. The resource dependency theory was adopted to guide this study because, the central theme of competitiveness arose from interaction between the firm and the external environment.

1.4.3 Content scope

The research consists of the independent variable business environment factors, as conceptualized, consisting legal environment, existing and potential suppliers, technological factors and socio cultural factors. The dependent variable competitiveness consists of Management competence, consumer satisfaction, product innovation, returns on sales, adaptation to change, rate of marketing budget and market share growth. The moderating variable business strategy was conceptualized as consisting of; marketing strategy, operations strategy and finance strategy.

1.4.4 Time scope

The study has a time scope of fifteen years, from 2001-2016.

1.5 Significance

- There is an apparent dearth of studies competitiveness of pharmaceutical companies within the geographical scope of the research. Therefore, it is hoped that this research will contribute to such literature.
- There is also a lack of the understanding of the specific environmental factors, whose interactions affect the performance /competitiveness of the pharmaceutical manufacturing companies more specifically within the geographical scope of the research. This study aims to unravel some of those factors.
- The variation in the conceptualization of the term competitiveness at firm level has given rise to different meanings of the concept. This study has also attempted to contribute to its understanding using both financial and non financial indicators, hopefully that will add to knowledge.
- It will serve as reference material to other researchers in the future for conducting further research on the same or identical variables.

1.6 Operational Definition of terms/study variables

The variables that were investigated in this study were conceptualized as follows:

1.6.1 Business Environmental factors

Business environment consists of relevant physical and social factors outside the boundary of the organization- (Duncan, 1972).

The environment can be conceptualized as having several sectors that exists in two layers. The closest layer to the organization is the task environment which includes sectors that have direct transaction with the organization. The outer layer is called the

general environment and refers to sectors that affect the organization directly. For a specific business organization, the task versus the business environment depends on how the firm's domain is defined and how policy makers choose to navigate the domain. (Daft et al 1998).

Business leaders can control aspects of the internal environment that can positively or negatively affect a company's operating and financial results. However, the greatest challenge to business success may be a consequence of the external environment which a company has little, if any control. (Nordemeyer, 2013)

The environment creates both problems and opportunities for organizations. Organizations depend on the environment for scarce resources, and organizations often must cope with unstable, unpredictable external events. The environment perhaps more than any other factor, affects organizational structure, internal processes and managerial decision making. (Pfeffer and slancik, 1978)

1.6.2 Business strategy

Strategy is any action managers take to attain a goal for the organization (Bruhn, 2008).

Strategy must be should be designed to utilize the firm's strengths to achieve the objectives of the organization. (Smith et al).

There are factors within the competitive environment that are of particular relevance to a firm's strategy. These include competitors, consumers, and suppliers.

The operations strategy must be aligned with the company's business strategy if it is to achieve its long term goals.

1.6.3 Competitiveness

Competitiveness is a concept which enable us to understand how firms, industries and nations acquire the ability and desire to compete in an area of major interest and concern by businesses, industries, and national governments, (Bernajee, 2002).

All organizations big or small must address their desire to remain competitive. Competitiveness is a multi dimensional concept it can be looked at from three different levels; country, industry, and the firm level. A challenging task in the study of competitiveness is its empirical measurement. (Zawojka, and Sudek, 2014).

A great deal of empirical research refers to the determinants of competitiveness at the enterprise level, probably due to the conviction that firms, not individual nations, compete in international markets (Porter, 1990).

Competitiveness is from Latin word "competer" which means involvement in a business rivalry for markets. It has become common to describe economic strength of an entity with respect to its competitors in the global market economy in which goods, services, people, skills and ideas move freely across geographical borders (Muths, 1998).

The term competitiveness is one of the most commonly used concepts in economics, but it is not precise enough, what it means is that there is no generally accepted definition of competitiveness. Despite the fact that competitiveness is a ubiquitous term in economic research, there is still trouble with understanding its meaning as well as with its measurement, (Suidek and Zawojka, 2014).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

2.1 Business Environment

The business environment according to Duncan, (1972) consists of relevant physical and social factors outside the boundary of an organization that are taken into consideration during decision making. Many of the initial research on environment treated it as a single entity, (Duncan, 1972; Tung, 1979). However, recent studies have decomposed the environment into sectors, each of which may have distinct influence on policy making and organizational actions (Utterback, 1985).

According to Bourgeois, (1980) and Dill, (1958) cited in Daft et al. (1988) the environment can be conceptualized as having several sectors that exists in two layers. The closest layer to the organization is the task environment which includes sectors that have direct transactions with the organization. The task environment influences day-to-day organizational operations and goal attainment, and includes sectors such as competitors, suppliers and customers. The outer layer is called the general environment and refers to sectors that affect the organizations indirectly. The general environment often includes social, demographic, and economic sectors. For a specific business organization, the task versus the general environment depends on how the firm's domain is defined and how policy makers choose to navigate the domain. In manufacturing industry, customers, competitors, suppliers and technology may be part of the task environment.

Nordemeyer, (2013) postulates, that business leaders can control aspects of the internal environment that can positively or negatively affect a company's operating and financial results. For example, leaders shape their company's culture, establish the company's organizational structure and create policies that guide employee behavior. However, the greatest challenges to business success may be a consequence of the

external environment which a company has little, if any control. To address these challenges, business leaders conduct environmental analysis and develop policies and processes that adapt company operations and products to this environment. He further asserted that successful businesses adapt their internal environment including human and financial resources, policies, technologies and operations to the external environment. The company performs an environmental analysis to identify the potential influence of particular aspects of the general operating environments on business operations. This analysis identifies the opportunities and threats in a business environment in terms of a company's strengths and weaknesses.

Daft, Sormunen, and Parks (1988) observed that environment creates both problems and opportunities for organizations. Organizations depend on the environment for scarce resources, and organizations often must cope with unstable, unpredictable external events. The environment, perhaps more than any other factor, affects organizational structure, internal processes and managerial decision making, (Duncan, 1972; Pfeffer and Salancik, 1978). A body of research has found that, strategy, planning and coordination, structural complexity and organic versus mechanistic work processes tend to fit environmental characteristics (Tung, 1979; Lawrence, and Lorsch, 1967; Burns and Stalker, 1961; Lindsay and Rue, (1980); Javidan, (1984). Dess, Lumpkin and Eisner (2010) observed that the general environment composed of factors that can have dramatic effects on firm strategy. Typically, a firm has little ability to predict trends and events in the general environment and even less ability to control them. They went further to divide the general environment into six classifications consisting of, demographic, socio cultural, political/legal, technological, economic and global.

The environment is important because it creates uncertainty for managers, especially top managers. Environmental uncertainty increases information processing within organizations because managers must identify opportunities, detect and interpret problem areas, and implement strategic or structural adaptations (Hambicrick, 1982).

One means of competing for policy makers is to acquire superior information about the environment. An information advantage about the environmental opportunities and problems depends on management's, government perception of signals that other organizations miss (Dutton and Freedman, 1984). According to Pearce and Robinson (2003), managing activities internal to the firm is only part of the modern executive's responsibilities. The modern executive also must respond to the challenges posed by the firm's immediate and remote external environments. The immediate external environment includes competitors, suppliers, increasing scarce resources, government agencies and their ever more numerous regulations, and customers whose preferences often shift inexplicably. The remote external environment comprises economic and social conditions, political priorities, and technological developments, all of which must be anticipated, monitored and, assessed and incorporated into the executive's decision making.

2.2 Environmental Analysis

Despite the fact that quite a number of many researchers have carried out investigations about environmental uncertainty, the question remains, how do senior managers learn about the environment? Environmental scanning is one of the most reliable means through which top managers perceive external events and trends (Hambrick, 1982; Culnan, 1983). Scanning represents a difficult organizational problem because the environment is vast and complex, and managers' experience bounded rationality-they cannot comprehensively understand the environment (Cyert and March, 1963). Senior managers must find scanning mechanisms that yield adequate information displays of external events.

Aguilar, (1967) in his study of the information gathering practices of managers, defined scanning as the systematic collection of external information in order to:

- i. Lessen the randomness of information flowing into the organization
- ii. Provide early warnings for managers of changing external conditions

He (Aguilar) goes further to conceptualize environmental scanning as consisting of: Undirected viewing; consists of reading a variety of publications for no specific reason other than to be informed. Conditioned viewing; consists of responding to this information in terms of assessing its relevance to the organization. Informal searching; consists of actively seeking specific information but doing it in a relatively structured way. Formal searching on the other hand is a proactive mode of scanning entailing formal methodologies for obtaining information for specific purposes.

Morrison, Renfro and Boucher, (1984) simplified Aguilar's four scanning types into either passive or active scanning. Passive scanning is like what most of us do when we read journals and newspapers. In passive scanning the organizations pays little attention and therefore, miss many ideas that signal changes in the environment. Active scanning focuses attention on information resources that span the task and the industry's environments as well as the macro environment. In active scanning, it is important to include information that represent different views of each of the social, technological, economic, environmental, and political (STEEP) factors, (Morrison, 1992).

Fahey and Narayanan, (1986) identified three levels of environment for scanning and these are: The task environment which consists of the organization's set of customers. The industry environment comprising of all enterprises associated with an organization in society, macro environment where changes in the social, technological, economic, environmental and political (STEEP) sectors affect organizations directly and indirectly. For example a national recession may force companies to review their marketing activities as a result of cuts in consumer spending.

They further suggest that an effective environmental scanning program should enable decision makers to understand current and potential changes taking place in their institution's external environments. Scanning provides strategic intelligence useful in

determining organizational strategies. The consequences of this activity includes fostering, an understanding of the effects, of change on organizations aiding in forecasting, and bringing expectations of change, to bear on decision making.

According to Brown and Weiner (1985) environmental analysis is a kind of radar to scan the world systematically and signal the new, the unexpected, the major, and the minor. In the same vein, Davis, (2005) asserted that environmental scanning is a valuable tool for companies, to include in their pharmaceutical management and marketing skills. Implying that it is something of an art, but with practice it becomes a second nature. He went further to define (environmental scanning) as the acquisition and use of information about events, trends, and relationships in an organization's external environment the knowledge of which would assist management in planning the organization's future course of action.

Thinking Futures (2012), postulates that, strategic or environmental scanning is an input into the strategic thinking stage of strategy development. Scanning focuses on identifying what might be important in terms of your organization's future, gathering information and data, to test that thinking, and exploring beyond mainstream, or conventional/status quo, thinking to identify emerging issues and potential surprises in future operating environments, that are likely to have an impact on your organization. They further outline and categorized the different levels of scanning as: What competitors are doing. What is happening in the industry and how your competitors might respond? And what is happening more generally with industry and government policy and then broader societal and global trends. Similarly, Gupta, (2013) investigated Environment and PEST Analysis: An Approach to External Business Environment. The results concluded that there is now a general understanding that environmental and ecological imperatives must be in-built to total planning process, if the long term goal of making industrial development sustainable is to be achieved.

Lin and Hui, (1997) observed that, conceptualization of how an organization may respond to changing environments may stem from either piecemeal or a systematic analysis. Piecemeal analysis focuses on how specific components or departments of an organization respond to changes for example, the marketing department may respond to changing demands and tastes of customers in terms of specific measures or actions to address the issue. Systematic analysis, on the other hand, focuses on how the organization as a whole responds to changes. For example, the organization can be structured on such a way that prompt response to environmental changes can be obtained.

Jovanovich (2015) postulated that, practice has shown that managers in many cases fail to anticipate or adequately respond to changes for a number of reasons. It happens that, managers simply do not notice changes in their business environments. As a result, they are blinded by the changes that have occurred unexpectedly, certain research has shown that managers can be aware of changes in their industries, but they may fail to interpret these changes correctly. They often underestimate the importance of these changes, and they may wait too long to respond or may not respond at all. Research has shown that managers that correctly notice changes can even correctly interpret the possible impact of these industry's changes, but they might still fail to adopt an appropriate course of action.

In a related development, Egbetokun, (2011) argued that, manufacturing companies in south western Nigeria operate in a challenging environment characterized by high import dependencies, inappropriate policies, lack of transparent governance and weak industrial capabilities. He went on to assert that, given the low export propensity of manufacturing companies in south-western Nigeria, companies focus on producing low technology products, for a huge domestic market, environmental scanning therefore, is to shape and support strategies for domestic components. The study conclude that, among others manufacturing companies in south west Nigeria generally operate in an

unfriendly environment as a result of many adverse environmental factors such as government laws and regulations, weak industrial capabilities etc.

2.2.1 Socio cultural factors

Dess, et al (2010) are of the view that, socio cultural forces influence the values, beliefs, and lifestyles of a society. Examples include a higher percentage of women in the workforce, dual income families, increases in the number of temporary workers, greater concern for healthy diets, physical fitness, greater interest in the environment, and postponement of having children. Such forces enhance sales of products and services in many industries but depress sales in others. According to Akhtar, (1995) culture is one of the elusive phenomena that we all seem to recognize but find difficult to define. Scholars however, agreed that culture is all encompassing; it includes the entire heritage of a society and reflects a total way of life. Being a social activity, a social activity, is an activity like marketing involves interactions among people, products and institutions. These complex and subtle interactions are shaped by the cultural environment, buyer's interactions with sellers. According to Robinson, (1994) social factors that affect a firm involve the beliefs, values, attitudes opinions and lifestyles of persons in the firm's external environment. Like other forces in the remote external environment, social forces are from the efforts of individuals to satisfy their desires and needs by controlling and adapting to environmental factors.

2.2.2 Political and Legal Environment

Governments play important roles in the regulation of businesses and marketing activities Akhtar, (1995). The agreement between a government and a firm that set the stage for the firm's operations in a country seldom remains in effect for a long time. Overtime, government may intervene and impose additional conditions on the firm's operations. Governmental interventions; that interferes with or prevents business transactions, or change the terms of agreements, or cause the confiscation of wholly or partly foreign owned business property are referred to as political risk. Robinson,

(1994) stated that the direction and stability of political factors are major consideration for managers in formulating a company strategy. Political factors define the legal and regulatory parameters within which the firm operates. Political constraints are placed on firms through fair trade decisions, antitrust laws, tax programs, minimum wage legislation, pollution, pricing policies and many other actions, aimed at protecting employees, consumers the general public and the environment. Laws and regulations are commonly restrictive they tend to reduce the potential profit of firms. However, some political actions are designed to protect firms. Such actions include patent right laws, government subsidies, and product research grants. Political factors may either limit or benefit the firm they influence.

Smith, Anold and Bizzel, (1998) postulates that, government and political factors are exerting an increasing influence on how businesses operate, firms must comply with regulations dealing with hiring practices, taxes, consumer lending, safety, pricing, advertising, plant location and pollution. Government activity provides both opportunities and threats. Thus, some government programs (for example, tariffs on competing foreign goods and tax reductions) provide growth or survival opportunities. Conversely, increased taxes in certain industries could threaten profitability. Dess et al (2010) stated that, political processes and legislation influences environmental regulations with which industries must comply. Government legislation can also have a significant impact on the governance of corporations.

2.2.3 Financial/Economic Environment

Economic factors according to Dess et al (2010) affects all industries, from suppliers of raw materials to manufacturers of finished goods and services, as well as all organizations in the service, wholesale, retail, government and nonprofit sectors. Key economic indicators include interest rates, unemployment, the consumer price index, the gross domestic product and net disposable income. In the same vein, Robinson, (1994) asserted that, economic factors concern the nature and the direction of the economy in which a firm operates. Because consumption patterns are affected by the

relative affluence of various market segment. In its strategic planning each firm must consider economic trends in the segments that affect its industry on both the national and international level. It must consider the general availability of credit, the level of disposable income, and the propensity of people to spend. Prime interest rates, inflation rates, and the trends in the growth, of the gross national product are other economic factors it must consider.

2.2.4 Technological factors

According to Robinson, (1994) to avoid obsolescence and remote innovation, a firm must be aware of technological changes that might influence its industry. Creative technological adaption can suggest possibilities for new products, for improvements in existing products, or in manufacturing and marketing techniques. A technological breakthrough can have a sudden and dramatic effect on a firm's environment. It may spawn sophisticated new markets and products or significantly shorten the anticipated life of a manufacturing facility. Thus, all firms, and most particularly, those in turbulent growth industries must strive for an understanding of both existing technological advances and the probable future advances that can affect their products and services. According to Smith, Arnold and Bizzel, (1998) there are very few companies in the United States of America, for example, that do not depend on an increasingly sophisticated technological base. The high probabilities for continued technological advances provide both opportunities and threats for entire industries and for specific firms. Firms must also be alert for new technologies that can directly or indirectly make their products obsolete.

Similarly, developments in technology, according to Dess et al (2010), lead to new products and services and improve how they are produced and delivered to the end users. Innovation can create entirely new industries and alter the boundaries of existing industries. Technological developments and trends include genetic engineering, internet technology, computer aided design/ computer aided manufacturing, research in artificial and exotic materials.

The effect of a trend or event in the general environment varies across industries, for example in the United States of America, government legislation (political/legal) to permit the importation of drugs from foreign countries is a very positive development for drug stores but very negative event for the U.S. drug manufacturers. (Dess et al 2010).

2.2.5 Environmental Analysis in the pharmaceutical sector

Davies, (2005) suggested a framework of undertaking environmental scanning (macro environmental analysis) in the pharmaceutical industry; and interprets scanning as the macro-environment and also it can include industry analysis, consumer analysis, product innovations, and the company's internal environment. Macro environment scanning involves analyzing; the economy, legal environment, ecological factors, suppliers, government and political climate, technology, socio cultural factors, labor supply and service providers.

2.2.6 Business Environmental Factors and competitiveness

Naveed, (2013) stated that there are factors which influence a company in divergent ways in the 21st century; somehow these factors have impact on the business in favor of the business and sometimes have an adverse effect on the business. He further explained environmental analysis as environmental scrutiny that is a vibrant procedure that embodies scanning, monitoring, disseminating and forecasting. In the same vein, Mazini, (2014), observes that the organizational environment is always changing and these changes originate from several sources such as customers, suppliers, competitors, and government. Artes and Batitci, (2011) cited in Mazini, (2014) further, observed that managing change and to adapt to an uncertain future is a challenge which requires resilience, which is the capacity of an organization to survive, adapt and sustain the business in the face of turbulent change.

Duncan, (1972) and Grant, (1999) cited in Olarewaju and Folarin (2012) observe that the most single significant influence on both organizational policy and strategy is the environment outside and inside the organization. Organizations are institutions deliberately designed to achieve and accomplish certain goals. The activities in these organizations are affected by both the situations within the organization and also, the situations within the larger society or environment in which the organizations operate. Considering that performance is crucial objective of an organization, it is generally accepted that the structure and decision making in an organization is influenced by environmental complexity and volatility (Miles and Snow, 1978). Furthermore, it is argued that the alignment of strategies of organizations with the requirements of their environment outperform organizations that fails to achieve such alignment (Chaganti et al., 1989, Venkatraman & Prescott, 1990; Beal, 2000).

In a related development, Aderkani M.Y and Nystron P.C. (2014) in their joint study analyzed data from 100 American companies and results show that organizations with ineffective scanning systems typically fail to exhibit the prerequisite level of alignment between contexts and scanning designs. Rubashkina, Galleotti and Verdolini, (2014) their study investigated the impact of environmental regulation on the economic performance of European manufacturing sectors, and also investigated overall innovation and productivity impact that are the most relevant indicators for strong Porter Hypothesis. As a proxy of environmental policy stringency the researchers used pollution abatement and control expenditures (PACE), which represent one of the few indicators available at the sectoral level. The study established a positive impact of environmental regulation on the output of innovation activity, as proxied by patents. Thus, providing support in favor of the weak Porter hypothesis in line with most of the literature. The study also found no evidence in favor or against the strong Porter hypothesis, as productivity appears to be unaffected by the degree of pollution control and abatement efforts.

Olarewaju and Folarin, (2012) further observed that, in contemporary Nigerian business environment, performance of Nigerian companies is predicted on factor such as low-sales, high cost of production, low capacity utilization, lack of foreign exchange to source needed inputs, poor power supply, low quality of goods and services, among others. These issues have led to lack of proper integration and coordination of various corporate subsystems in Nigerian organizations, resulting in the failure to achieve their stated goals and objectives. Enterprises are subsumed in the environment with which they interact by importing inputs and exporting outputs. Thus, the vagaries and extremities of the environment affect the fortunes of organizations, (Kennerly and Nelly, 2013).

Asiakhia (2006) observed that, a new competitive environment is developing in Nigeria, the business environment has altered rapidly and unexpectedly, and new knowledge capabilities are consequently needed to survive in such a turbulent environment. He further establishes that market focused strategic flexibility is a driver of organizational positioning in a dynamic environment, and it is also found to moderate the market orientation, sales growth relationship studied and environmental variables influence, the relationship with sales growth in firms. Also his results further suggests that, while firms operating in a dynamic environment may gain advantage by adapting market focused strategic flexibility, firms operating on a relatively stable environment may not achieve particular good results if they do so. If most firms operating in a dynamic environment adopt market focused strategic flexibility, they are not likely to achieve competitive advantage.

Asiakhia, further observed, that business organizations had perceived the environment as opportunities and threats presented by such external environment as variables as socio-cultural, legal, political, economic, technology and infrastructural factors. This is however, not to conclude that factors found in the micro (internal) and intermediate business environment are not important. It shows how important the scanning of the

macro (external) environment is, because this in turn affects the other two environments. Where there is the absence of good understanding of the external environment, the attendance effect of this on organizational performance cannot be over emphasized. After all it is the good performance (effectiveness, efficiency, and responsiveness) that can guaranty sustainability of the organization) in relation to its corporate goals and objectives.

Hypothesis:

H1: 1: There is significant relationship between legal environmental factors and competitiveness.

H1: 2: There is significant relationship between existing and potential suppliers and competitiveness.

H1: 3: There is significant relationship between technological factors and competitiveness.

H1: 4: There is significant relationship between socio cultural factors and competitiveness.

2.3 Determinants of Competitiveness among Business Organizations

Competitiveness has been described by many researchers as multi dimensional and relative concept and the significance of different criteria of competitiveness changes with time and context.

Chaudhri, (2001) concluded that, there has been inadequate research on such practical importance on competitiveness related frameworks and models. Ambastha and Momaya, (2014) also concluded that, through their interactions with industry

professionals and questionnaire surveys (May to August 2002) hinted that, a key reason for low usage of competitiveness theories may be weak understanding of these frameworks and models. In the preface to the *Competitive Advantage of Nations*, Porter (1990) cited in Bernajee, (2004) postulated that, there is no accepted definition of competitiveness, whichever definition of competitiveness is adopted, an even more serious problem has been, there is no generally accepted theory to explain it.

Competitiveness is a concept which enables us to understand how firms, industries and nations acquire the ability and the desire to compete in an area of major interest and concern by businesses, industries and national governments. To understand competitiveness, challenges lie in the identification, measurement and analysis of the attributes of competitiveness. Moreover, under conditions of uncertainty and rapid changes in the world economy, an understanding of environments to assess and pursue strategies not only becomes crucial but also a major challenge (Bernajee, 2002).

All organizations big or small must address their desires to remain competitive. Competitiveness is a multi dimensional concept it can be looked at from three different levels: country, industry, and firm level. According to Zawojka and Sudek, (2014) a challenging task in the study of competitiveness is its empirical measurement. In the light of the evidence that the concept lack a universally accepted definition, researchers has proposed a variety of approaches to estimate competitiveness, competitiveness is found to be measured at different levels of economic analysis: mega (global), macro (nations, regions), meso (economic sectors and industries) and micro (firm's) level. A great deal of empirical research refers to the determinants of competitiveness at the enterprise level, probably due to the conviction that firms, not individual nations, compete in international markets as argued by Porter, (1990).

Competitiveness originated from Latin word, "competer" which means involvement in a business rivalry for markets. It has become common to describe economic strength of an entity with respect to its competitors in the global market economy in which goods,

services, people, skills, and ideas move freely across geographical borders (Murths, 1998). Suidek and Zawojksa, (2014) the term competitiveness is one of the most commonly used concepts in economics, but it is not precise enough, what it means is that there is no generally accepted definition of competitiveness. Despite the fact that competitiveness is a ubiquitous term in economic research, there is still trouble with understanding its meaning as well as with its measurement. Another research problem concerns the large variations in competitiveness determinants over space and time. According to Fearon, Dobler and Killen (1993) observe that the competitive posture of a firm can be influenced by purchasing performance. To the extent that raw materials, component parts, and contracted industrial and commercial services, capital equipment, and other inputs are bought at the best possible price in the supplying markets. The firm can in turn sell its finished products at more attractive price, thus improving sales, market share, and profits. Through effective buying, the purchasing function can both directly and indirectly impact on the firm's competitiveness. Quality inputs can result in quality outputs (finished products and services). Customer perceptions of quality can be used to strategically, and tactically position the organization to increase sales and market share. According to Dess et al (2010) competitive advantage, is firm's resources and capabilities that enable it to overcome the competitive forces in it's industry.

Ambastha and Momaya, (1999), opined that in today's turbulent business environment, dynamic capabilities, flexibility, agility, speed, and adaptability are becoming more important sources of competitiveness, and that sources of competitiveness are those assets and processes within an organization that provide competitive advantage, these sources can be tangibles or intangibles.

Competiveness involves a combination of assets and processes, where assets are inherited (natural resources) or created (infrastructure) and processes transform assets to achieve economic gains from sales to customers (DC, 2001). Johnson, (1992) Hammer and Champy (1993) asserted that in providing customers with greater value than their competitors, firms must be operationally, efficient, cost effective and quality

conscious. In the same vein, other researchers have discovered other aspects which determine competitiveness such as marketing (Corbett and Wassenhove, (1993), information technology, Ross et al, a (1996) quality of products, Swaan and Tahhavi, (1994) and innovative capacity of firms (Grupp, 1997).

Similarly, Dechezleptretre and Sato, (2014) observed that, at the firm level, a business can be seen to be competitive, if it can produce better, cheaper products or services than its domestic and international competitors. Competitiveness is synonymous with a firm's long run profit to its owners. It can then be interpreted as firm's 'ability to sell' which reflects the capacity to increase market share and may be measured by trade volumes or domestic market share, or it can be seen as the 'ability to earn' the 'capacity to increase profit measured by turn over, value added or market value.

Similarly, Porter, (1990) defined competitiveness as at the organizational level as productivity growth, that is reflected in either lower costs or differentiated products that command premium prices. A company, industry, or nation with the highest level of productivity could be seen as the most competitive; McKee and Sessions-Robinson, (1989). In the same vein Porter, (1998) concluded that, a firm's competitiveness refers to the competitive advantage it has over its rivals in a particular industry. A firm has competitive advantage over its rivals, when it is able to differentiate itself in the market place, generates greater resources and operates at lower costs over its competitors. Similarly, Rogers, (1998) argues that, innovation, the application of new ideas to products, processes or any other aspect of a firm's activities has become one of the key drivers for firm's to operate profitably and compete sustainably on the globally linked economies of the world.

Ambastha and Momaya, (2014) further asserted that some authors view competitiveness with the competency approach. They emphasis the role of factors internal to the firms such as firm strategy, structures, competencies, capabilities to innovate and other tangible and intangible resources for their competitive success

(Prahalad, 1989, 1990). This view is particularly popular among the resource based approach towards competitiveness (Prahalad and Hamel, 1990; Grant, 1991; Barney 2001, 1991, Peteraf, 1993; Ulterich, 1993). Ability to develop and deploy capabilities and talents far more effectively than competitors can help in achieving world class competitiveness (Smith, 1995).

The international business literature is replete with conceptual and empirical works pertaining to competitiveness. A systematic search of the academic literature demonstrates that while competitiveness is a major issue (Dunning, 1995; Porter, 1990), it still has not been well defined. Yet, competitiveness remains an important measure of benchmarking economic performance (Dunning, 1995).

In arriving at sets of determinants of competitiveness, there are various attributes of non market forces that combine within and across firms, industries, and nations that are important in shaping the international business environment and mechanism. Understanding these attributes of competitiveness provides a valuable tool for decision makers, (Banerjee, 2004).

2.3.1 Competitiveness in the Pharmaceutical Industry

According to Shabaninejad et al, (2014) throughout the last decade, the global pharmaceutical industry has been one of the most successful and profitable industries in the world, but due to dynamic forces in the competitive as well as regulatory environment, the conditions of the industry have changed. Given to the strong dependency, on innovations, some issues such as the high risk in R&D as well as supply chain caused a decrease in the attractiveness of pharmaceutical industry as compared to other industries. The expenditure in research and development is increasing steadily over the last decade, and the number of new (New Molecular Entities) being brought to the market has decreased. This is important because further development depends on the number of new medicines launched from which the profit serves to fund. Developing new products/medicines and marketing is costly, time consuming and risky

process. For example in Iran it costs an average of \$800 million to develop and bring a new drug to the market, and out of every 10,000 ingredients synthesized in the laboratories, only one or two will successfully pass the steps to become marketable medicines. Meanwhile, international competitiveness is becoming important for the pharmaceutical sector, more increased competitiveness and the changing structure of competitors impact the strategic direction of the world pharmaceutical companies. On the other hand, companies try to increase the profitability of all the faces of the value chain from primary discovery research to production phase and logistics as well as sales and marketing phases.

In developing countries, the local pharmaceutical industry needs to compete in highly dynamic international markets. All global economies are in a state of flux, constantly evolving to accommodate changes, risks and opportunities as their markets develop or subside (Badr, Madden and Wright 2006). In the same vein, Shabaninejad, et al (2014) further asserted that though managing pharmaceutical industry effectively and efficiently is vital in developing countries, for their health system and economy, due to lack of economic motivations and low capacity of the government for covering the costs of innovative drugs in emerging markets, usually the pharmaceutical sector does not invest on novel medicines, thereby innovations are limited in such countries.

Fatti and du Toit (2013), using South Africa as example, where the government has new procurement rules ready to boost home grown production to encourage exports rather than importing medicines subject to fluctuating world prices. Savioz and Sugawara cited in Wright, Leisher and madden, (2008), particularly state that because the pharmaceutical industry is a highly dynamic market, it needs to maintain its position by keeping abreast of all decisions influencing factors, including competitors. Richardson (2008) observed that, while some pharmaceutical companies have jettisoned their competitive intelligence activities, others have invested more into developing them.

They further asserted the manufacturing of drugs is an expensive business. The pharmaceutical industry itself is highly competitive, driven by the need to innovate and discover new, expensive drugs. The time span of 20 years to discover and market a new drug is an added reason why multinationals have unique competitive intelligence challenges. By becoming more globalized, multinationals can reduce their dependency on local markets where competition has increased especially in the pharmaceutical industry. Global markets offer a better return on investment. In particular, the global affluent ageing populations with higher disposable incomes are an enticement to multinationals.

2.3.2 Competitive analysis

According to Pearce and Robinson, (2003) in order for companies to identify their firm's current and potential competitors, company executives must consider several important variables:

How do firms define the scope of the market? The more similar the definitions of firms, the more likely firms will view each other as competitors. How similar are the benefits the consumers derive from the products and services that other firms offer? The more similar the benefits of products or services are, the higher the level of substitutability between them. High substitutability levels force firms to compete fiercely for customers. How committed are other firms to the industry? Although this question appears to be far removed from identification of competitors, it is in fact one of the most important questions that competitive analysis must address, because it sheds light on the long term intentions and goals. To size up the commitment of potential competitors to the industry, reliable intelligence data are needed. Such data may relate to potential resources commitments (e.g. planned facility expansion). In a similar development, according to Smith, Arnold and Bizzel, (1988) gaining an understanding of a competitor's assumptions about itself and other firms in the industry can be quite beneficial to a firm. When these assumptions are not accurate, they can create "blind

spots” that make the competitor vulnerable. In the same vein, Smith et al. (1998) postulated that firms can gain a great deal of insight by monitoring competitor’s market signals. A market signal is any action by a competitor that provides a direct or indirect indication of its intentions, motives or goals, or internal situation. Some signals sent by competitors, represent earnest commitments to action, whereas other signals can be bluffs or warnings.

2.3.3 Management competence

According to king, Fowler, and Zeithaml (2001) greater understanding and awareness of a firm’s competence can provide several benefits. Managers who agree on their firm’s most valuable competencies are more likely to be consistent in their decisions to develop and nature these competencies. Similarly, Srivastava, (2005) stated that, many researchers are of the view that organizations that conceptualize themselves as a set of core competencies rather than as distinct strategic business units help in enhancing competitiveness. For sustainable competitive advantage, corporations have to devise ways to identify, cultivate and exploit the core competencies that make growth possible. Similarly, Parahad and Hamel, (1990) had also observed that management should develop a corporate wide strategic architecture- a road map of the future that identifies which core competencies to build and their constituent technologies, they have not elaborated on how to go about charting this elusive strategic architecture.

2.3.4 Product innovation

Cooper and Edgett, (2011) observed that many companies lack a clearly articulated and well communicated product innovations and technology strategy. Such a strategy is essential and is strongly linked with positive performance in product innovation. A comprehensive product innovation strategy must include among other elements, clearly defined strategic areas of focus, it must have a widely understood role in broader business goal. Further, the innovation strategy implemented in best performing businesses is more than just a list of the year’s development projects; it has a much

longer term commitment. Companies with effective product innovation programs rely on a number of tools to implement those including strategic buckets for resource allocation and strategic product road maps. According to Corso, Paolucci, Pallegriani and Martini, (2001) Product innovation in particular is assuming a central role in strategic competition because of competitive advantage entity and endurance intrinsic imitations (difficulties related to path dependency). Furthermore, the phenomena of complexity in terms of technological opportunities, new competitors and customers request as well as, hyper competition which characterize the environment, not only have a great importance to product innovation but have also imposed a complete change of the organization and management of new product development project. In the same vein, Nelson, (1991) cited in Corsino, (2008) postulates that, to be successful over a long period of time, firms must develop the abilities to innovate and then to profit from that innovation. Similarly, the Economist Magazine, (2012) concluded that most companies struggle with innovation. It is difficult to come up with new ideas continuously, particularly, one that makes people to pay for. To promote innovation, many researchers suggest executives cultivate a specific mindset, one that is more open, nimble and resilient-as well as willing to fail. In a related development, Ernst and young, (2001) concluded that, the real imperative in a world where 'everything' is digitalized is that businesses need to pursue innovation to disrupt their own business model before the competition does. Without innovation, strategies, companies will lose competitive advantage in an increasingly commoditized world. There is no time to loose, as technology change accelerates exponentially and new platforms and devises are emerging.

2.3.5 Customer satisfaction

Zamuzalova, (2008) outlined some key areas through which customer satisfaction in terms of products could be mirrored; such as product quality, convenient payment conditions, image of the product etc. similarly, Congiz, (2010) postulates that in an increasing competitive environment, companies must be customer oriented and

customer satisfaction represents a modern approach. Some of the major schemes in the business management domain include studies of customer relationship marketing, which analyses how customer satisfaction relates to competitiveness and profits, methods for measuring customer satisfaction. After all, the underpinning of the marketing concept is that identification and satisfaction of customers need lead to improved consumer retention. Customer satisfaction is a function of the discrepancy between a consumer's prior expectations and his or her perception regarding the purchase. When an experience is better than the customer expected, there is thought to be positive disconfirmation of the expectation and a favorable customer evaluation is predicted, (Iacobucci, Ostram and Grayson, 1995).

2.3.6 Market Share Growth

Buzzell, Gale and Ralph (1975) were of the opinion that, it is widely recognized that one of the main determinants of business profitability is market share. Under most circumstances enterprises that have achieved a high share of the markets they serve, considerably are more profitable than their smaller share rivals. This connection between market share and profitability has been recognized by corporate executives and consultants, and it is clearly demonstrated in the results of a project undertaken by the marketing science institute on the profits impact of market strategies (PIMS). Similarly, Cooper, Masao, and Nakanishi, (2010) are of the view that, as a result of intense competition, business firms of all sizes and varieties have become more and more concerned with the market share figures they achieve in the market place. Market shares command the attention of business managers as key indices for measuring the performance of a product or brand in the market place. They further, postulated that market share data may be obtained from many sources. A traditional source was the so called retail store audit data. One critical problem with the data collection stage for market share analysis is the need for information on marketing activities of competitors, as well as the firm's own activities. Any reasonably designed market information system should be able to meet adequately the information requirement on the firm's own activities, but information on competitor's activities is a different matter. This requires

careful monitoring of competitors activities in the market and compiling a comprehensive file for each competitor.

2.3.7 Rate of Marketing Budget

Moorman, (2014) postulates that marketing budgets are on the rise yet, marketing leaders are still struggling to demonstrate the impact of their spending. The solution to this accountability challenge lies not in marketing metrics, but on how marketers think through the impact of their marketing strategies. Similarly, Sridar, Mantrala, Naik and Similarly, Weber, (2002), is of the opinion that marketing costs have been rising rapidly, while both manufacturing and general management costs have been declining. As a result, those concerned with realigning corporate assets to maximize shareholder returns are requiring that marketers start providing their worth or be gradually starved of their resources. Reflecting such pressures, marketing managers are being asked to provide more convincing evidence that planned marketing strategies will yield more value for the company and its stakeholders. Likewise, those charged with planning the marketing budget are being asked to more thoroughly justify requested budget increases. Strategies addressing the high cost of marketing have focused primarily on efforts to improve efficiency through reducing costs. In most companies there are ample opportunities for enhancing marketing efficiency. To do so, marketers are challenging the efficiency of the full range of current and planned marketing budget expenditures. Regardless of what approach a company applies in the effort to improve efficiency, productivity and view, the goal of such efficiency improvements should be to trim marketing expenses without significantly, impacting productivity. Thorson (2011) was of the view that a fundamental responsibility of marketing managers is to determine the optimal levels and allocation of scarce marketing resources. Consequently, a large volume of work in marketing models literature has focused on developing normative rules for marketing resource allocation decisions.

2.3.8 Adaptation to change

Organizations operate in a changing environment, to survive organizations have to understand and adapt to such changes (Milliken, 1990). Organizational adaptation can be regarded as the effort of the organization to fit the environment. Organizations, however, can take different forms in their adapting to the environment. Organizational adaptations can range from small changes reflected in individual member's actions to radical overall restructuring on the part of the organization. Most of the time however, organizations tend to have structural inertia. (Hannan and Freeman, 1977), no matter how organizations change their designs and learn from experiences in the face of environmental changes, whether their stay can truly be successful in their adaptation to the environment change may be only judged by their performance, (Huber, 1991).

According to Suresh, (2001) companies need to be flexible and innovate in the ways in which they deal with the unfamiliar situations they often find themselves in. Organizations worldwide are confronting more turbulent markets, more demanding shareholders, and more discerning customers, and they are restructuring to meet such challenges. Change is always happening, continuous and overlapping change has become a way of life in the corporate environment. Leaders who want to get ahead in today's turbulent market place must learn to respond to growing number of changes in how they structure companies, conduct businesses, implement technology, relate to customers and employees. Similarly, Ernst and Young, (2001) are of the opinion that the challenge for businesses is to face the implications of digital change. In particular, the loss of control over the customer relationship, increased competition and the threat of commoditization, the need to engage digitally with suppliers, partners and employees in addition to customers.

A widely held belief is that if organizations do not dynamically respond to a changing environment then their performance will suffer. The basic idea that without change, the organization's design will become increasingly unaligned with the environment. Forward looking organizations try to change on the basis of what they expect the future to be

like. Such strategic planning can be source of competitive advantage. However, despite the best of intentions and the most detailed information, management expectations about the future can be wrong. Consequently, not all strategic changes are actually adaptations; that is, not all changes serve to maintain or improve performance. Moreover, some changes might interfere with the ability with the ability of personnel to learn and make use of their previous experience, thus degrading the performance of the entire organization.

Change, however, is not always advantageous, for example, some types of change such as gains in individual experience, may improve organizational experience, whereas others, such as downsizing, may have long term deleterious consequences. Many researchers argue that, successful change, or adaptation may involve developing absorptive capacity or becoming a learning organization (Carley and Lee, 1998).

It is a fact that all business environments are in a state of ongoing change or disequilibrium, companies must either stay aligned with changes in their competitive environments and react to these changes promptly, or actively anticipate changes in customer demographic, future technologies, potential new products and services and thereby recreate their industries. It should be noted that industry changes are requesting answers from their companies, especially entrepreneurial ones, for them to use the chance to reshape themselves as well as their branch of business.

The risks of falling out of step with industry changes will almost certainly, increase in the future as competition intensifies, with existing and new technologies continue to be exploited. Changes in customer demographics lead to new customer needs. Organizational change will therefore, be essential to company's survival. Organizational change management and transformation have become permanent features of the business landscape. In fact strategic management might more appropriately be called 'strategic change management' (Jovanavich, 2015).

2.3.9 Return on sales

According to Marshall, McManus, and Viele, (2004), Sales is the term used to describe the revenues of firms that sell purchased or manufactured products. In the normal course of business, some sales transactions will be subsequently voided because the customer returns the merchandise for credit or for a refund. In some cases the, rather than have shipment returned (especially if it is only slightly damaged or defective and still usable by the customer) the seller will make an allowance for the amount billed and reduce the account receivable from the customer for the allowance amount. If the customer has paid, a refund is made.

Return on sales or profit per sales according to Blocher, Stout, and Cokins, (2010) measures the manager's ability to control expenses and increase revenues to improve profitability. Return on sales is also called profit margin.

H1: 5: There is significant relationship between business environmental factors and competitiveness.

2.4 Business strategy

According to Steiner and Steiner, (2009) a strategy is a basic approach, method or plan of achieving an objective. A company strategy is like a traveler with a map showing the city of destination and a plan to reach it by taking the morning train. This traveler is most likely going to reach his destination. Bruhn, (2008) defines business strategy as any actions managers take to attain a goal of an organization. The overriding goal of most organizations is superior performance. For the business firm, superior performance has a clear meaning. It is the ability to generate high profitability and superior performance overtime.

Strategy is the match organizations make between its internal resources and skills and the opportunities and risks created by its external environment. Designing a strategy around the most critically important resources and capabilities may imply that the firm limits its strategic scope to those activities where it poses a clear competitive advantage. The ability of a firm's resources and capabilities to support a sustainable

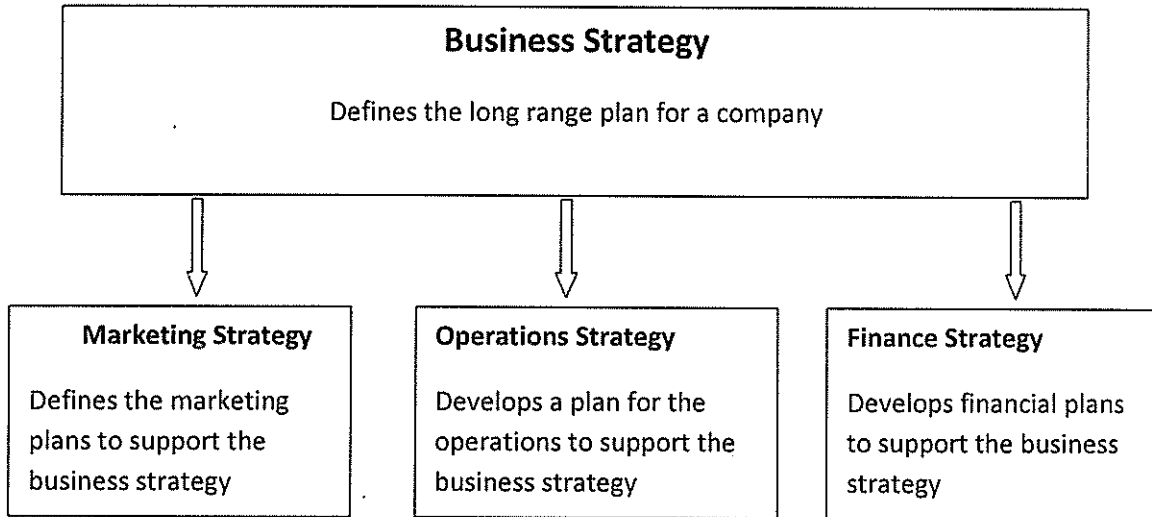
competitive advantage is essential to the use of timeframe of a firm's strategic planning process. If a company's resource and capabilities lack durability and are easily transferred or replicated, then the company must either adopt a strategy of short term harvesting or it must invest in developing new sources of competitive advantage (Grant, 2001).

Business level strategy helps managers to build a competitive advantage. A firm's business level strategy is that basic theme which a company emphasizes to compete effectively with its rivals in an industry. A firm's business level strategy encompasses three related areas:

The competitive theme which all managers must emphasize is how to segment the market within the industry and which segments to serve.

In the same vein, according to Smith et al. (1998), strategy should be designed to utilize the firm's strengths to achieve the objectives of the organization. Objectives and strategy should also focus on taking advantage of environmental opportunities and minimizing the impact of environmental threats, analyzing, influencing (if feasible), and adapting to present and anticipated environmental conditions are the keys to success of organizations. In addition to adapting to and coping with the present environment, firms must be prepared to cope with the future. Managers make better decisions if the appropriate information is available, effective strategic management requires that different types of information from a wide variety of sources be assembled and organized.

Figure 1: A Model of Business Strategy in Business Organizations



Source: Reid and Sanders, (2010)

Dess, Lumpkin, Eisner and McNamara, (2012) are of the view that, strategy analysis may be looked upon as the starting point of the strategic management process; strategy analysis, strategy formulation. A firm's strategy formulation is developed at several levels; first business level strategy addresses the issue of how to compete in a given business to attain competitive advantage. Second corporate level strategy focuses on two issues:

What businesses to compete in and how businesses can be managed to achieve synergy; that is they create more value by working together than if they operate as standalone businesses.

2.4.1 Marketing Strategy

Marketing strategy is the company's plan for pursuing its objectives within a particular product market, (Mullins and walker Jr. 2010). Marketing strategy is basically the answer to the question; how could we provide superior customer value to our target market? The answer to this question requires the formulation of a consistent marketing mix. The marketing mix is the product, price, communications, distribution, and services

provided to the target market. It is a combination of these elements that meets customer's needs, and provides customer value, (Hawkins, Best and Coney, 1998). Dess et al (2010) define strategy as the ideas, decisions and actions that enable a firm to succeed.

Marketing strategy seeks to provide the customer with more value than the competition while still producing a profit for the firm. Marketing strategy is formulated in terms of the marketing mix. That is it involves determining the product features, price communication, distribution, and services that will provide customers with superior value (Hawkins, et al. 1998).

An important aspect of the job of marketers is to monitor and analyze customer's needs, wants, emerging opportunities, diversities posed by competitors and trends in the external environment. According to Perrault, Cannon Jr. and McCarthy (2009) a marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

Two interrelated parts are needed:

A target market; a fairly homogenous (similar) group of consumers to whom a company wishes to appeal and A marketing mix; the controllable variable the company puts together to satisfy this group.

It is important to stress that it cannot be over emphasized that selecting a target market and developing a marketing mix are interrelated. Both parts of a marketing strategy must be decided together. It is strategies that must be evaluated against the company's objectives, not alternative target markets or alternative marketing mixes. The needs of a target market often vertically determine the nature of an appropriate marketing mix so marketers must analyze their potential target markets with great care.

According to Skinner and Ivancevich, (1996) to put the marketing concept into action, a firm must decide on the appropriate marketing activities to satisfy consumer needs, and achieve its goals. A marketing strategy is an overall plan for conducting marketing activities that enables an organization to use its resources and strengths to meet the

needs of the market place. The relationship between the marketing environment and marketing strategy is that marketing does not take place in a vacuum. Several factors outside the firm influence its marketing decisions. Economic conditions, regulations by government and industries, politics, and attitudes of society, technology and competition other firms combine to form the marketing environment.

According to Dess et al, (2010) managers must consider the competitive environment, (also sometimes referred to as the task or industry environment). The nature of competition in an industry as well as the profitability of a firm is often more directly influenced by developments in the competitive environment. The competitive environment consists of many factors that are particularly relevant to a firm's strategy. These include competitors, customers, and suppliers. Potential competitors may include a supplier considering forward integration, such as a firm in an entirely new industry introducing a similar product that uses a more efficient technology.

2.4.2 Operations Strategy

The role of operations strategy is to provide a plan for the operations function so that it can make the best use of its resources. Operations strategy specifies the policies and plans for using the organizations resources to support its long term competitive strategy. It is also responsible for managing the resources needed to produce the company's products or services.

Operations strategy is the plan that specifies design, the use and of these resources to support the business strategy. This includes the location, size and type of facilities available, worker's skills and talents required, use of technology, special processes needed, special equipment and; and quality control methods. It is the role of operations strategy to provide an overall plan for the use of all these resources. The operations strategy must be aligned with the company's business strategy if it is to achieve its long term goals, (Morrison, 1999).

2.4.3 Finance strategy

According to Wild, (2000), all organizations require financing to begin and operate according to its plans. Financing activities are the means through which organizations pay for resources and services like land , buildings and machines to carry out its activities because of their potential for to determine success or failure. An organization's main purpose is operating activities. Operating activities are the carrying out of an organization's plans and involve using assets to research, develop, purchase, produce, distribute, market products and services. All these would not be achieved unless there is a sound finance strategy. Companies require sound finance strategies to be able to keep track of revenues, and expenses accruing from their businesses the absence of which would render them in a state of disarray. According to (Randy, Oxelheim, and Stonehill, 2001) there is widespread misconception that financial strategy does not add value to the firm. This line of reasoning goes back to the research of two Nobel Prize winning economists, Modigliani and Miller. However, according to Akhtar, (1995) the impact of financial consideration is a significant marketing decision. Critical decisions such as where a firm can sell its products, and how, when how much and by whom it gets paid are determined by in part financial considerations.

2.4.4 Business strategy and competitiveness:

Bruhn, (2008) asserted that, central task for all managers is to pursue strategies that enable their firm to attain superior performance, measured by profitability and profit growth. This is easier said than done. A principal reason is that firms must compete against each other as rivals for scarce resources. In general a business firm is more likely to attain high profitability and solid profit growth if it can outperform its rivals in the market place. If it can stay ahead of its competitors in the race for the consumers' money when a firm out perform its rivals in the market place, we can say that, that firm has competitive advantage at the most basic level. Competitive advantage comes from two levels:

The ability of the firm to lower its costs relative to its rivals; and the ability to differentiate its products offering from that of its rivals.

A firm can outperform its rivals all things being equal when its cost of inputs are lower than those of its rivals or competitors. It can charge the same price as its rivals and be more profitable. Alternatively it might use its low costs to charge less, gain market share and increase profit margins faster than its rivals or it can do a combination of these two.

On the other hand, if a firm has successfully differentiated its products from those of its rivals by attributes such as superior design, quality, reliability etc it should be able to outperform its rivals. It can charge more than rivals and still register significant sales and earn high profits. Alternatively, it can charge similar price with competitors with less differentiated products but use the superior appeal of its products to gain market share and increase its profits faster. A business firm could have a competitive advantage which it derives from one or more distinctive competency. This is a unique strength that rivals lack. A distinctive competency is difficult for rivals to match or imitate when it is protected by laws such as property rights, such as patent rights, trademarks, copy rights etc.

According to Porter, (1999) companies do not often understand the differences between operational effectiveness and strategy. Operational effectiveness is the ability to perform operational tasks more efficiently than others; strategy on the other hand is the company's plan for competing in the market place. As Porter puts it running a race very efficiently is example of operational effectiveness, however, it is not enough to be efficient, strategy is defining which race and what race you will run in. Without strategy; you could be running efficiently in the wrong race. Therefore, operational efficiency and strategy must be aligned otherwise a company could be very efficiently performing the wrong tasks. In the same vein, Pearce and Robinson, (2003) observe

that to deal effectively with everything that affects the growth and profitability of a firm, executives employ management processes that they feel will position it optimally in its competitive environment by maximizing the anticipation of environmental changes and of unexpected internal and competitive demands. Eisner and Ketchen Jr. (2009) observe that there are factors within the competitive environment that are of particular relevance to a firm's strategy. These includes competitors (existing or potential), consumers, and suppliers. Potential competitors may include a supplier considering forward integration.

Ambatsha and Momaya, (2014), conducted a study on competitiveness of firms, review of theory frameworks and models in India and made an attempt to understand the problems of competitiveness journey in the context of the software industry. The study identified low clarity about competitiveness concept, and weak integration of competitiveness processes with traditional processes especially the most strategic process. It found out that, most companies are organized on functional lines such as marketing, finance, operations, and have narrow views about their contribution to the competitiveness of the whole organization, and that competitiveness comes through an integrated effort across different functions and hence has linkage with strategy process. Similarly, Dess et al (2010) concluded that, many strategies fail because managers may want to formulate and implement strategies, without careful analysis of the overreaching goals of the organization and without a thorough analysis of its external environment.

H1: 6: Business strategy significantly moderates the relationship between business environmental factors and competitiveness.

2.5 Theoretical Review

2.5.1 Resource Dependency

The Resource Dependency Theory is the study of how the external resources of organizations affect the behavior of the organization. The procurement of external resources is an important tenet of both strategic and tactical management of any company; the theory was articulated by Pfeffer and Salancik, in 1978 (Ulrich and Barney, 1984).

The Resource Dependency Theory proposes that actors lacking in essential resources will seek to establish relationships with (be dependent upon) others in order to obtain needed resources. Also organizations attempt to alter their dependence relationships by minimizing their dependence of others or by increasing the dependence of others on them. Within this perspective organizations are viewed as coalition altering their structure and patterns of behavior to acquire and maintain needed external resources. Acquiring the external resources needed by an organization comes from decreasing the organization dependence on others and/or by increasing others dependency on it. That is modifying an organizations power with other organizations.

Resource dependency theory is concerned with how organizational behavior is affected by the external resources the organization utilizes. The basic assumptions of the theory are:

1. Organizations are assumed to be comprised of internal and external coalitions which emerge from social exchanges that are formed to influence and control behavior.
2. The environment is assumed to contain scarce and valued resources essential to organization's survival. As such the environment poses the problem of organizations facing uncertainty in resource acquisition.

3. Organizations are assumed to work towards two inter related objectives: acquiring control over resources that minimize their dependence on other organizations, and control over resources that minimize their dependence on other organizations on themselves. Attaining either objective is thought to affect the exchange between organizations, thereby affecting an organization's power.

2.5.2 Competitive Advantage Theory

Competitive advantage theory seeks to answer some of the weaknesses of comparative advantage theory earlier developed by Schumpeter. The theory was developed by Michel Porter in his work *Competitive Strategy* (1980), which emphasizes productivity growth as the focus of national growth. The term competitive advantage means, the ability to have an upper hand over others through the use of attributes and resource to perform at a higher level when compared with others, in the same industry or market. This theory was letter modified to suit private business entities that are wishing to have competitive advantage (lower cost or differentiation) over other entities.

2.5.3 Contingency theory

The contingency theory was developed by Mintzberg (1981) the basis tenants of the theory were based on the assumption that organizations structure their internal processes and behaviors to the contingencies they face. This means that enterprise structure and strategy should vary depending on the contextual situation. The theory argues that organizations adapt their structure in accordance with the contexts, if they are to perform better.

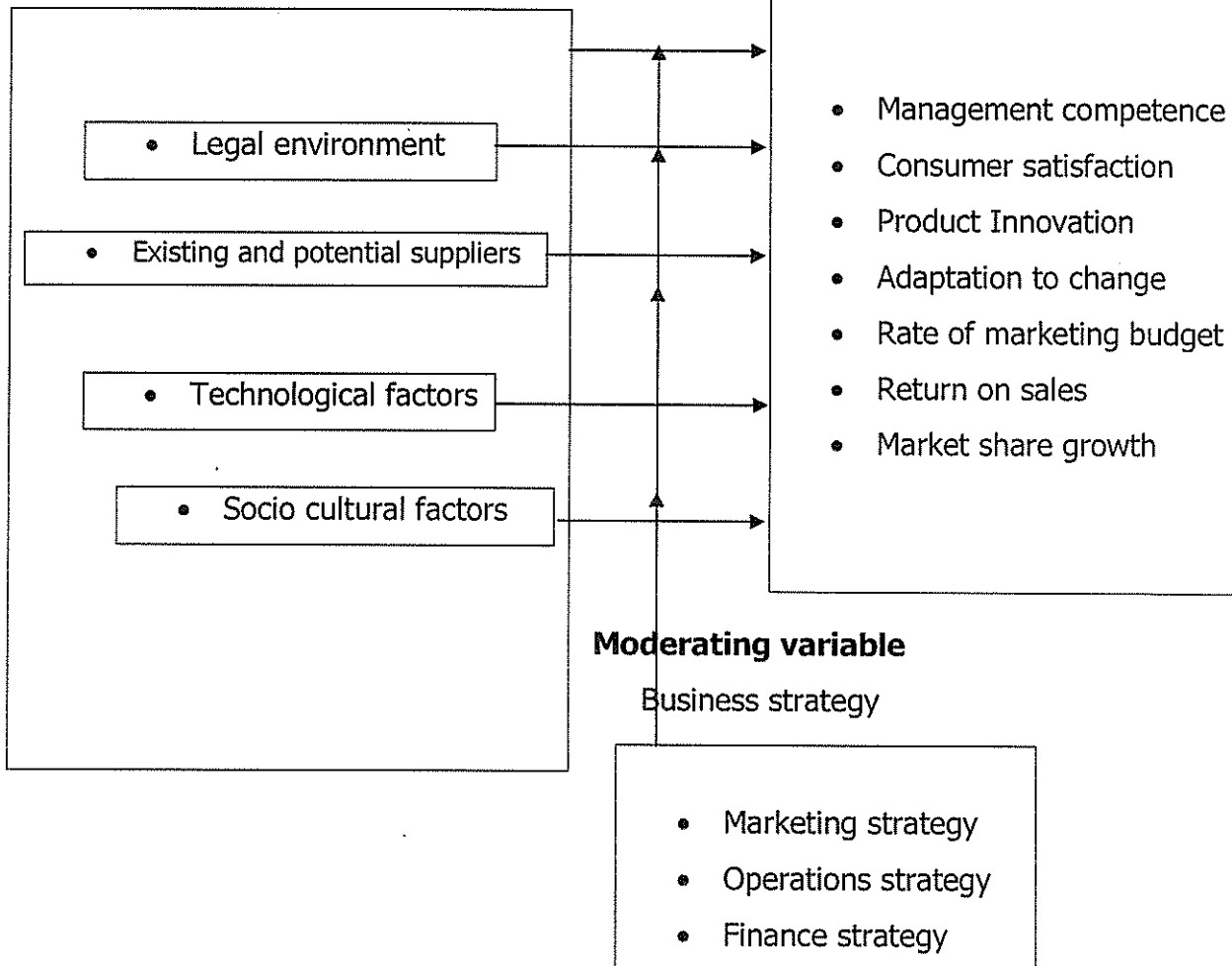
Figure 2: Conceptual Framework

Independent variable

Dependent variable

Competitiveness

Business Environmental Factors



Adapted from Davis (2015), Liagovas and Skandalis, (2007) and Schmuk, (2013), Grant, 2001 and Modified by the researcher 2016

2.6 Related studies

Renniso, et al (2014) Conducted a study on Firm strategy, competitiveness and productivity: The case of Canada. The results suggest among others that, Canadian firms have been planning defensive uses for their capital budgets, aimed at further reductions in their cost structure, or at ways to differentiate their product offerings. Others were focusing on enhancing customer loyalty to obtain competitive advantage through customization or differentiation of their products. Banham H.C., and Okanagan CGA (2010) conducted a study on the external environment analysis for small and medium enterprises. The study concluded among others that SMEs that identify high degree of turbulence within the environment, would be well advised to secure stable forms of financing, have flexibility in their operating structures and consider diversification for risk reduction. In a related development, Mandana, H. Saman G. and Morteza F. (2016), investigated and established a significant statistical relationship between marketing strategies (product, price, distribution, place and promotion) with organizational competitiveness among companies located in the industrial town Sanandaj city in the Islamic republic of Iran.

Daft L.R., Sormunen J. and Parks D., (1998) their study on Chief executive scanning , environmental characteristics and company performance: An Empirical study interviewed 50 chief executives in manufacturing companies about the perceived strategic uncertainty in six environmental sectors, and the frequency and mode of scanning. The study found that customer, economic and competitor sectors generated greater strategic uncertainty than technological, regulatory and socio cultural sectors. Sum V. (2015), using the Resource Based View of the firm as the theoretical background to determine, whether integration of training in the firm's business strategies increases the impact of training on the firm's competitiveness. A regression analysis of the data obtained from different industries reveals a statistically significant positive regression coefficient.

Skinner and Ivancevich, (1996) establish a relationship, between the marketing environment and marketing strategy and concluded that, several factors outside the firm influence its marketing decisions, such as economic conditions, regulations by government, politics, and attitudes of society, technology and competition from other firms. Randoy, Oxelheim, and Stonehill, (2001) investigated corporate financial strategies for global competitiveness and focused on the role of corporate financial strategies, to improve market valuations and lower their cost of capital. The paper built on twelve longitudinal case studies from the Nordic countries to illustrate the linkages between business strategy, firm motivation and various financial strategies. The study argued that, the corporate motivation for internationalizing the cost of capital is the starting point for understanding a firm's globalization of ownership. Secondly, the study emphasizes the need to link the business strategy with financial strategy.

Rubashkina Y., Galeotti M. and Verdolini E., (2014) investigated the impact of environmental regulation on the economic performance of the European manufacturing sectors. The study established positive impact of environmental regulation on the output of innovation activity, as proxied by patents. The research concluded that, there is no evidence in favor or against the 'strong' Porter hypothesis, as productivity appears to be unaffected by the degree of pollution control and abatement efforts.

Wangari K.M. and Kagiri A.W., (2015) Investigated the influence of inventory management practices on organizational competitiveness: A case study of Safaricom Ltd in Kenya. The study using descriptive approach and both qualitative and quantitative data established, that inventory shrinkage, inventory investment, and inventory turnover affects the competitiveness of Safaricom Ltd. The study concludes that, inventory management practices are very vital to the competitiveness of organizations as such inventory practices affects profit maximization, customer satisfaction, market share growth, product quality, and return on investment. The paper recommends among others that, the company should avoid carrying excess inventory,

that might be at risk to the company, accurate forecast (supply and demand) should be in place. Management needs to modernize its inventory management system to increase efficiency.

2.7 Study Gaps

The following gaps were identified from previous studies gaps were identified:

- i. There is an apparent dearth of studies on competitiveness of pharmaceutical companies within the geographical scope of the research.
- ii. There is an apparent lack of understanding of the specific environmental factors, that whose interactions affect the performance/competitiveness of the manufacturing companies more specifically within the geographical scope of the study.
- iii. The variations in conceptualization of the term competitiveness at firm level has also seen various authors, viewing it from different perspectives, this study views competitiveness as consisting of management competence, customer satisfaction, rate of marketing budget, etc. of the firm which if properly articulated could result in attainment superior performance and competitiveness. This therefore, is a humble contribution to the discussions on competitiveness literature.
- iv. There are presently not many research conducted on the issue of competitiveness of pharmaceutical companies particularly within the geographical scope of this study.
- v. Time gap. To limit the time gap in the previous studies

CHAPTER THREE

METHODOLOGY

3.0 Introduction

3.1 Philosophy

A research philosophy is a belief about the way in which data about a phenomenon should be gathered, analyzed and used. Positivists believe in reality. They believe reality is stable and can be observed and described from an objective view point, without interfering with the phenomena being studied (Levin, 1988). According to Cohen, Manion and Morrison (2000) the term positivism has been used in such different ways by philosophers and social scientists, that it is difficult to assign it a precise and constant meaning. Moreover, the term has been applied to the doctrine of a school of philosophy known as logical positivism. The central belief of logical positivism is that the meaning of a statement is or is given by the method of its verification. It follows from this that unverified statements are held meaningless, the utterances of traditional metaphysics and theology being included in this class. The underlying philosophy for this study is logical positivism, and the ontology of objectivism. Positivism is best suited when the researcher is dealing with quantitative data, which can be analyzed quantitatively to establish relationships between the study variables and predict the dependent variable and the research anthology is objectivism because results could be objectively interpreted and inference made. The study is both quantitative and qualitative in nature; (mixed method approach). Heppner, Kivlighan, and Wampold, (1992) refer to qualitative research as naturalistic, ethnographic or phenomenological, indicating its appropriateness in regard to events affecting human lives and the influences from the culture of a particular society. According to Banerjee, (2006), quantitative approach in research has the primary goal of describing the reality of human social interactions and functions i.e. to understand the strengths of relationships, in order to establish causal associations among objectively specified

variables (through testing of hypothesis derived from predictive theories). The mixed approach enabled the researcher to combine the strength of the two approaches.

3.2 Research design

This study adopts a cross sectional, correlational and survey design. It is cross sectional because the study collected data at once with no intension of coming back and it establishes relationship between the variables under investigation. It is a survey because data was collected from a large population (multiple sources). Descriptive approach also known as statistical approach was also used; it is a method of describing data and characteristics about the population or phenomena being studied. Descriptive research answers the question regarding who, what, where, when and how Slater, (2001) and (McGinnis, 2009).

3.3 Research population

There are varying numbers regarding the complete list of companies manufacturing and marketing pharmaceutical products in Nigeria, what is certain however, is that eleven (11) pharmaceutical companies are actively trading on the Nigeria Stock Exchange (N.S.E.) (Nigeria Online, 2014). More than one hundred and forty (140) companies are involved in manufacturing, marketing and distribution of pharmaceutical products, (Gumel, 2014). There are thirty five (35), companies; actively involved in manufacturing and distribution of pharmaceutical products in Kano State Chamber of Commerce, (2014) these form the population of the study. The respondents are employees of the (32) manufacturing pharmaceutical companies which are one thousand two hundred and nine (1,209).

3.3.1 Sample size

The sample size for this study is thirty two companies (32), randomly selected, out of thirty five (35) pharmaceutical companies in Kano metropolis. The sample size was determined using Krejcie and Morgan's table for determining Sample size required from a given population. The respondents are employees of the companies (291) in number

selected using purposive sampling (those that have worked for the company for a minimum of five years and above.). They are selected from the population of 1,209 employees using Kredecie and Morgan's table for determining sample size. However, (29) additional questionnaires were added making the sample size (320) and (10) questionnaires were distributed per each company.

Table 1: Sample size computation

S/No	Pharmaceutical companies	Questionnaires retrieved
1	Evans pharmaceuticals Plc	9
2	Glaxo Smithkline Plc	8
3	May & Barker Plc	8
4	Morrison Plc	9
5	Pharma Deco Plc	8
6	Pharma Plus Plc	10
7	BCN Plc	10
8	Chrieslieb Plc	10
9	Eko Corp Plc	10
10	Maureen Lab	8
11	Pharmacy Plus Plc	10
12	Church Bells Ltd	9
13	Novel Drugs Ltd	9
14	Assad Pharmaceuticals Ltd	8
15	Juvee Pharma. Ltd	8
16	Neros Pharma. Ltd	7
17	Archy Pharma Ltd.	8
18	Emzor Pharm. Ltd	7
19	SKG Pharma Ltd	7
20	AyosonPharma. Ltd.	8
21	Global Sterlin Ltd	7
22	Alufoils Ltd.	8
23	Gifford Gettel Ltd.	8
24	Tradomed Ltd.	8
25	Genetrad Ltd.	8
26	Oloach Pharma Ltd.	6
27	Achillion Ltd	8
28	Pharma Ltd.	8
29	Chemiron International Ltd	7
30	Novel Drugs Ltd.	6
31	Nigeria German Ltd.	7
32	KDC Pharma. Ltd.	6
	Total	253

Source: Primary data, 2015

Simple random sampling was used to select thirty two (32) pharmaceutical companies, out of the 35 manufacturing pharmaceutical companies in Kano metropolis, using Kriedcie and Morgan's table for determining sample size. The respondents are employees selected using purposive sampling technique, with a minimum of five (5) years working experience for the company; selected out of (1,209) employees of the pharmaceutical companies they are (291) managers, sales representatives, distribution officers, pharmacists and distributors of the company's products. Three hundred and twenty (320) questionnaires were distributed ten (10) per each company out of which two hundred and fifty three (253) were retrieved representing a 79% response rate. The responses from the employees were aggregated to all the unit of enquiry (pharmaceutical companies) on the SPSS.

3.4 Research Instruments

3.4.1 Questionnaire

In conducting this study, researcher devised questionnaires were administered, and interviews conducted to capture both the independent variable business environmental Factors, the dependent competitiveness and the moderating variable business strategy.

The questionnaire consists of four parts;

All questions were close ended using scales of:

1. Strongly Disagree
2. Disagree
3. Agree
4. Strongly agree

According to Donicar, Grun, Leisch and Rossiter, (2011) seven point Liket items are less stable than binary answer formats. Both five and seven point Likert items take longer to complete. In studies comparing the time it takes respondents to complete a questionnaire using different answer formats, Culman, (2000) and Donicar, (2003) concluded that the binary answer format was completed faster than multi category

answer formats. Similarly, Gaunt and O,Neil (2015) postulated that there are inconclusive results on the use of a middle or neutral point (four point vs. five point scales). Some scholars advocate a five point scale where as others prefer to force people to select negative or positive positions. The use of don't know option is inconclusive. However, studies are inconclusive on if don't know option increases accuracy of responses.

Section A:

Captures the independent variable business environment factors, which comprise of:

Legal environment, existing and potential suppliers, technological factors, and socio cultural factors

Section B:

Captures the dependent variable competitiveness which comprises of variables as management competence, customer satisfaction, innovation, adaption to change, rate of marketing budget, return on sales, return on equity, return on assets, market share growth

Section C:

Management questionnaire was designed to capture items concerning business strategy, (moderating variable). This was deliberately designed for top management because issues about strategy and strategic decisions are only limited to the strategic managerial level alone (top management). Thirty two (32) management questionnaires were distributed and were all retrieved, one each per company. The response rate for the management questionnaires is 100%.

3.4.2 Pilot study

Pre-testing of the questionnaire was done by administering the questionnaire (30) on selected employees of some pharmaceutical companies in Kano metropolis. The thirty

questionnaires were validated by experts (academicians and a marketing manager in a pharmaceutical company) and a content validity index of 78% was obtained, which is within the acceptable range. According to Amin, (2005) all CVI values of 50% and above are acceptable.

3.4.3 Interviews

Interviews were conducted, with Key respondents, five (5) randomly selected employees, who are management and senior staff of the companies being investigated to limit the weaknesses of the Likert scale. The respondents who all refused to have their voices recorded answered questions, relating to the constructs of the study. The questions and responses were transcribed and analyzed manually by the researcher.

3.4.4 Validity and reliability of instruments

Ambiguity was minimized through the use of expert assessment by the researcher and academicians who were consulted to assess the instrument both at Kampala International University and the local area of the research, (North West University Kano and Bayero University Kano). The experts gave a generally good rating for the questionnaire administered on the companies been studied, with a rating of (Content validity index of (78%). The interview guide was also validated by the same experts and the Content validity index was obtained as (75%). The content validity index (CVI) was calculated using the formula:

Number of valid items ÷ Total number of items x 100%

Content validity of the instruments used for this study was through the use of valid concepts which measure the study variables in the literature. Cronbach Alpha was used to test the internal stability of the questionnaire items. According to Gliem and Gliem, (2003) Cronbach Alpha reliability coefficient normally ranges between 1 –0. However, there are actually no lower limits to the coefficient. The closer the Cronbach Alpha coefficient is to 1 the greater the internal consistency of the items in the scale:

>0.9 Excellent, >0.8 Good > 0.7 Acceptable, > 0.6 Questionable > 0.5 Poor

3.4 5 Normality test

To test for normality, the values of Kurtosis and skewness for all the items were computed and the results are in Chapter four of the study (table 8).

3.5 Data preparation

This is a process which comprises of:

- i. Data screening: All the questionnaires were screened to check for errors in filling, or wrong entries.
- ii. Data coding: Data was first coded by numbering all the questionnaires (1-253) and then into the Statistical Package for Social Scientists (SPSS, version16.0) variable view page by the researcher.
- iii. Data entry: All the responses from the retrieved questionnaires were subsequently entered into the SPSS.
- iv. Identification of out layers: Some out layers were discovered and treated. E.g. 5 reduced to 4, 3 reduced to 2.
- v. A test for normality reveals that the data was normal.
- vi. Data reduction (using factor analysis) enabled the researcher to reduce some of the constructs; all constructs with an engine value of less than 1.0 were dropped.

3.6 Data analysis

1. Frequencies and percentages were used to determine the respondent's profile.
2. Facto analysis was used to establish the rotated factor matrix of the study variables.
3. Pearson linear correlation coefficient and linear regression analysis were used to establish relationship between the variables.
4. Hierarchical regression analysis was used to test the moderating effect of business strategy.

The working regression model for this study is as follows:

$$Y = \beta X + \Sigma$$

Where:

Y= Dependent variable (Competitiveness)

β = Slope coefficient of the independent variable (Business Environment factors)

X= Value of independent variable (Business Environmental Factors)

Σ = Error term

5. Qualitative data was gathered, transcribed and analyzed manually by the researcher.

All hypotheses, were tested at 0.05 level of significance

3.7 Ethical Considerations

- i. An introductory letter from the Directorate of Higher Degrees and Research (DHDR) was collected to introduce the researcher formally and to justify the research.
- ii. An informed consent was sought from the respondents (See Appendix).
- iii. All responses were treated with confidentiality and used for academic purposes only.
- iv. All citations and references were duly acknowledged.

3.8 Limitations

In all researches the researcher(s) do face a number of challenges which in many instances pose a threat to validity to the study and that is why in social science research researchers do claim a 5% which is equal to; 0.05 level of significance is accepted.

Some of these threats to validity are:

1. Factors which are not within the control of the researcher (extraneous variables) these include:
 - a. Respondents honesty (b). Personal biases (c). Uncontrolled setting of the study
2. Inconsistency in administration of the instruments (questionnaires) in terms of time, the inability of the respondents to fully understand the items and constructs in the questionnaire. To minimize this, research assistants were sensitized to and trained to provide explanations to the respondents.
3. Attrition by the respondents: This is a situation where not all the questionnaires were returned completely answered or some were not even retrieved at all, due to circumstances such as the respondents being too busy, fallen sick, or refusal or withdrawal from participation. To counter this challenge the researcher

distributed an additional 10% of the questionnaires above the approved sample size. Respondents were appealed upon not leave any item or part of the questionnaire unanswered, and a follow up was done prior to the appointed date of retrieval.

4. Sometimes validity and reliability of instruments becomes a problem especially for un-standardized instruments, for this study a validity and reliability test was conducted and pre testing was conducted by administering 15 questionnaires on selected respondents cutting across the target population in Kano metropolis.
5. The study is confined to a single industry.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND INTERPRETATION

4.0 Introduction

4.1.1 Factor analysis

According to Steiner cited in Garrett-Meyer, (2006) factor analysis can be used to explore data patterns, confirm hypothesis or reduce the many variables to a more manageable number. In the same vein, Child, (2006) is of the opinion that, factor analysis uses mathematical procedures for the simplification of interrelated measures, to discover patterns in a set of variables. Similarly, Young and Pearce, (2013) stated that the broad purpose of factor analysis is to summarize data so that relationships and patterns can be easily interpreted and understood. It is normally used to regroup variables into a limited set of clusters based on shared variance; hence it helps to isolate constructs and concepts.

The analysis of factor structure of the variables in this study is presented as follows:

Table 2: Factor Structure of Business Environmental Factors

Rotated factor matrix	Legal environment	Technological factors	Existing and potential suppliers	Socio cultural factors
Legal environment 1	0.842			
Legal environment 2	0.789			
Legal environment 3	0.722			
Legal environment 4	0.749			
Legal environment 5	0.628			
Technological factors 1d		0.717		
Technological factors 2		0.627		
Technological factors 3		0.619		
Technological factors 4		0.672		
Technological factors 5		0.629		
Existing and potential suppliers 1			0.525	
Existing and potential suppliers 2			0.572	
Existing and potential suppliers 3			0.551	
Existing and potential suppliers 4			0.526	
Existing and potential suppliers 5			0.527	
Socio cultural factors 1				0.592
Socio cultural factors 2				0.572
Socio cultural factors 3				0.585
Socio cultural factors 4				0.571
Eigen value	2.142	2.143	1.078	1.041
Variance%	24.52	23.48	8.42	6.81
Cumulative%	24.52	48.00	56.42	63.23

Source: Primary Data (2015)

KMO=0.72, $\chi^2=1321.50$, DF=105 sig=0.000, determinant= 0.01

Table 2 above, indicates the exploratory factor analysis results which shows the factor structure of business environmental factors, the results indicates that factors in the legal environment, technological factors, existing and potential suppliers, and socio cultural factors accounted for 63.23% variation in business environmental factors. The results further shows that legal factors (24.52%) were the most important factor in the business environment, followed by technological factors (23.48%), existing and potential suppliers (8.42%) and lastly socio cultural factors (6.81%). All the constructs have Eigen values of greater than (1), implying that they should all be accepted. The results further shows that all the items are significant as they all have a factor loading value of more than 0.5. The KMO value at 0.72 indicates the appropriateness or (worthy value of the components) and the sig. value is also significant at 0.00, the determinant is significant at 0.01, (Pallant, 2001).

The results of factor analysis indicates that technological factors, legal factors, suppliers and socio cultural factors are the factors that mostly explain the business environmental forces in the pharmaceutical sector in Kano state. The pharmaceutical companies must understand the composition of these factors, if they are to understand the business environment.

Table 3: Factor Structure of Competitiveness

Latent factor matrix	Management competence	Customer satisfaction	Adaptation to change	Market share growth	Product innovation	Returns on sales	Rate of marketing budget
Management competence 1	0.753						
Management competence 2	0.742						
Management competence 3	0.697						
Management competence 4	0.694						
Management competence 5	0.682						
Customer satisfaction 1		0.794					
Customer satisfaction 2		0.783					
Customer satisfaction 3		0.661					
Customer satisfaction 4		0.653					
Customer satisfaction 5		0.621					
Adaptation to change 1			0.752				
Adaptation to change 2			0.741				
Adaptation to change 3			0.732				
Adaptation to change 4			0.642				
Adaptation to change 5			0.623				
Adaptation to change 6			0.621				
Market share growth 1				0.643			
Market share growth 2				0.641			
Market share growth 3				0.634			
Market share growth 4				0.633			

share growth 5				0.632			
share growth 6				0.631			
innovation 1					0.664		
innovation 2					0.654		
innovation 3					0.644		
innovation 4					0.553		
innovation 5					0.543		
innovation 6					0.541		
on sales 1						0.635	
on sales 2						0.632	
on sales 3						0.563	
on sales 4						0.561	
on sales 5						0.554	
marketing budget 1							0.543
marketing budget 2							0.538
marketing budget 3							0.536
marketing budget 4							0.534
marketing budget 5							0.532
alue	2.75	2.63	2.43	2.38	2.35	2.21	1.74
e %	13.52	11.32	10.11	9.42	7.83	7.51	5.64
tive %	13.52	24.84	34.95	44.37	52.20	59.71	65.35%

Source: Primary Data (2015) KMO=0.74, $\chi^2=689.63$, DF=11, Sig=0.00, determinant=0.240

Table (3), above shows the results of an exploratory factor analysis, to investigate what constitutes the factor structure of competitiveness among pharmaceutical companies in Kano State. As depicted from the table all the constructs were accepted as they all have an Eigen value greater than one. The results further reveal that management competence, customer satisfaction, adaptation to change, market share growth, product innovation, returns on sales, and rate of marketing budget contributed 65.35% variation in competitiveness. It further reveals that management competence (13.52%) was the most important, followed by customer satisfaction (11.32%), adaptation to change, (10.11%), market share growth (9.42), product innovation, (7.83%), returns on sales, ((7.51%), and rate of marketing budget, ((5.64%). All the items were significant (factor loading greater than 0.5). The KMO value of 0.74 indicates the appropriateness (worthy value) of the components; also the sig. value is significant at 0.00, determinant is also significant at 0.240 since it is greater than 0.0000

The results from factor analysis of competitiveness reveal that management competence, customer satisfaction, adaptation to change, market share growth, product innovation, returns on sales, and rate of marketing budget, constitutes competitiveness indicators among manufacturing pharmaceutical companies in Kano metropolis, Nigeria. This shows that for a firm to maximize competitiveness, it must fully understand these dimensions. The qualitative results which were derived from the analysis of the interview responses also supports these findings. The results reveal that the companies are managed well, they however, are in bad financial positions, they also have a high customer base, however, innovation in terms of (new product introduction) which could also be an indicator of competitiveness, is generally low among the companies. The level of adaption to change is also high.

Table 4: Factor Structure of Business Strategy

Rotated factor matrix	Marketing strategy	Finance strategy	Operations strategy
Marketing strategy 1	0.726		
Marketing strategy 2	0.729		
Marketing strategy 3	0.682		
Marketing strategy 4	0.628		
Marketing strategy 5	0.675		
Financial strategy 1		0.683	
Financial strategy 2		0.691	
Financial strategy 3		0.671	
Financial strategy 4		0.652	
Financial strategy 5		0.534	
Operations strategy 1			0.549
Operations strategy 2			0.593
Operations strategy 3			0.529
Operations strategy 4			0.552
Operations strategy 5			0.521
Eigen value	2.623	2.162	1.732
Variance%	25.42	18.51	16.70
Cumulative%	25.42	43.93	60.63%

Source: Primary data, 2015 KMO=0.70, $\chi^2=656.23$, DF=10, Sig=0.00, determinant=0.131

Table (4) above, indicates the results of exploratory factor analysis, to examine what constitutes the factor structure of business strategy among manufacturing pharmaceutical companies in Kano state. It indicates that marketing strategy, financial and operations strategies accounted for (61%) variation in business strategies adopted by the companies. The results further reveal that marketing strategy is the most important with (25.4%), followed by financial strategy with (18.51%) and operations

strategy (16.70%). The results indicate that the factor loadings on all the items were all greater than 0.5, hence they were all significant. So also is the sig. value which is significant at 0.00. The KMO value at 0.70 indicates the appropriateness of the components, the determinant is also significant at 0.131 since it is greater than 0.000, (Pallant, 2001).

The results reveal that marketing strategy, financial and operations strategy, could be said to be the most important strategies among manufacturers of pharmaceutical products in Kano state, as they contribute (61%) variation in the strategies of the manufacturing pharmaceutical companies in Kano state. The qualitative results also support some of these findings; the results shows that the marketing strategies put in place by the companies are adequate and generally operations within the companies are good.

4.1.2 Reliability test

Table 5: Chronbach Alpha Scores

Constructs	Cronbach's Alpha	No of items	Ratings
Legal Environment	0.658	6	Acceptable
Existing/potential suppliers	0.749	5	Good
Technological factors	0.646	6	Acceptable
Socio cultural factors	0.761	4	Good
Management competence	0.624	5	Acceptable
Consumer satisfaction	0.798	5	Good
Product Innovation	0.870	6	Good
Return on sales	0.722	5	Good
Adaptation to change	0.732	6	Good
Rate of Marketing Budget	0.889	5	Good
Market Share Growth	0.780	6	Excellent
Marketing Strategy	0.871	6	Good
Operations Strategy	0.747	5	Good
Finance strategy	0.682	4	Acceptable

Source: Primary data, 2015

The results above (table 5) show acceptable and good Cronbach Alpha scores for the questionnaire items, it means that there is a generally good internal stability of the questionnaire items. Chronbach alpha is a measure of internal consistency, which is to say how closely, related a set of items are as a group. It is considered to be a measure of scale reliability, (Idre, 2015). According to Mutharasu, (2015), Chronbach alpha scores above 0.60 are acceptable, and the researcher can go further to process the data using exploratory factor analysis.

Table 6: Total Chronbach Alpha scores

Cronbach's Alpha	No. of Items
0.739	4

Source primary data, 2016

Table 6 above; indicate the total Chronbach Alpha scores for all the study variables. At 0.739, suggests that the items have a relatively acceptable internal consistency. A reliability coefficient of 0.7 or higher is considered acceptable in most social research situations, (Idre, 2015).

4.1.3 Validity Test

Table 7: K.M.O Scores

Questionnaire	Values	Rating
Legal Environment	0.810	Good
Existing/Potential Suppliers	0.690	Reasonable
Technological Factors	0.697	Reasonable
Socio Cultural Factors	0.784	Medium
Management competence	0.772	Medium
Customer satisfaction	0.654	Reasonable
Product Innovation	0.779	Medium
Return on sales	0.724	Medium
Adaptation to change	0.765	Medium
Rate of marketing budget	0.797	Medium
Market share growth	0.785	Medium
Marketing strategy	0.600	Reasonable
Operations strategy	0.853	Good
Finance strategy	0.710	Medium

Source: Primary data, 2015

From table: 7 above, it is clear that the K.M.O. values of all the questionnaire items are greater than (0.5), which indicate acceptable, good and excellent outcomes for all the questionnaire items. Kaiser, (1974) recommends 0.5 value for KMO as minimum barley acceptable and 0.9 values as superb. According to Pastena, (2015), KMO values measure the degree of sampling adequacy of a study variable and also to determine whether the data set is good for exploratory factor analysis. The closer the values are to 1 the better. The values could vary form 0-1. Values closer to 1 indicates small partial correlation and close to 0 indicates that factor analysis will not be a good idea because there is a weak correlation between the variable.

Table 8: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.810
Sphericity	Df	15
	Sig.	0.000

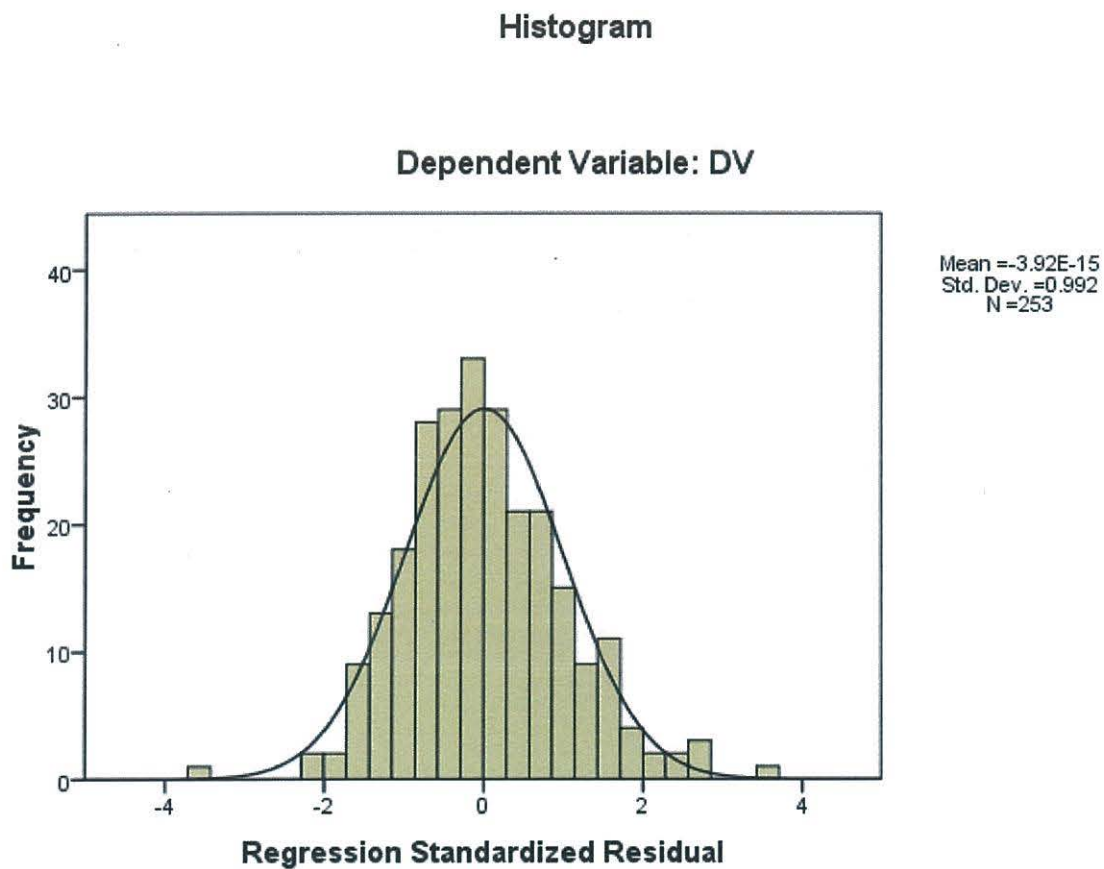
Source: Primary data, 2016

Table 8 above shows that the (K.M.O) value of all the variables under the study is 0.810, which can be categorized as good, according to Pallant, (2001) and (Pastena, 2015). The sig. value is also significant at 0.000 which indicates that there is no scope for reducing the number of dimensions in this data set.

4.1.4 Diagnostic tests

4.1.4.1 Normality test

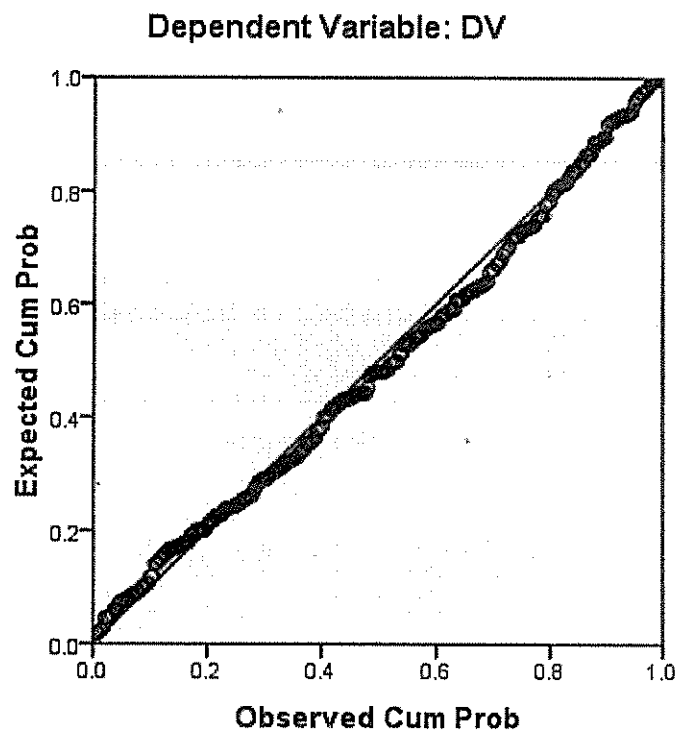
Figure 3: Histogram



From figure (3) above, it is clear that there is a normal curve which indicates that data is normally distributed.

Figure 4: Normal P-P Plot

Normal P-P Plot of Regression Standardized Residual



From figure (4) above it is clear that the data is along the dotted line (straight line), indicating that there is normality in the data distribution.

Table 9: Skewness and Kortosis

Questionnaire Items	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
LE 1	4.00	2.8814	0.64378	0.696	0.153	1.344	0.305
LE 2	4.00	2.7747	0.65513	0.669	0.153	0.870	0.305
LE 3	4.00	2.8419	0.60970	0.539	0.153	1.036	0.305
LE 4	4.00	2.8893	0.67525	0.487	0.153	0.657	0.305
LE 5	4.00	2.7708	0.55171	-0.910	0.153	1.442	0.305
LE 6	4.00	2.8696	0.52211	0.999	0.153	2.835	0.305
EPS 1	4.00	3.0988	0.63786	0.827	0.153	2.271	0.305
EPS 2	4.00	3.0949	0.64156	0.632	0.153	1.479	0.305
EPS 3	4.00	2.4822	0.72695	0.218	0.153	-0.241	0.305
EPS 4	4.00	2.8379	0.55762	0.457	0.153	0.983	0.305
EPS 5	4.00	3.1383	0.53511	0.114	0.153	0.245	0.305
EPS 6	4.00	2.2569	0.76194	0.180	0.153	0.294	0.305
TF 1	4.00	2.9881	0.42241	0.393	0.153	2.190	0.305
TF 2	4.00	2.7668	0.56779	-0.895	0.153	1.403	0.305
TF 3	4.00	2.9091	0.52292	1.287	0.153	2.292	0.305
TF 4	4.00	2.5731	0.62328	0.082	0.153	0.233	0.305
TF 5	4.00	2.5455	0.71472	0.391	0.153	0.144	0.305
TF 6	4.00	2.2253	0.73506	0.019	0.153	0.522	0.305
SCF 1	4.00	2.4783	0.58801	0.085	0.153	0.455	0.305
SCF 2	4.00	2.9802	0.56660	-0.664	0.153	2.422	0.305
SCF 3	4.00	2.9289	0.69213	0.267	0.153	0.010	0.305
SCF 4	4.00	2.4545	0.73119	0.159	0.153	0.236	0.305
IV	4.08	2.7639	0.28248	0.010	0.153	2.381	0.305
MC 1	4.00	2.2134	0.99298	0.145	0.153	1.506	0.305
MC 2	4.00	2.2925	0.94356	0.301	0.153	1.319	0.305
MC 3	4.00	2.2292	0.96917	0.184	0.153	1.447	0.305

MC 4	4.00	2.2688	1.00341	-0.228	0.153	1.471	0.305
MC 5	4.00	2.4229	1.13695	0.151	0.153	1.462	0.305
CS 1	4.00	2.2925	0.97662	0.357	0.153	1.454	0.305
CS 2	4.00	2.2569	0.97244	0.326	0.153	1.525	0.305
CS 3	4.00	2.4941	0.72166	-0.362	0.153	0.265	0.305
CS 4	4.00	2.4506	0.82287	0.271	0.153	0.591	0.305
CS 5	4.00	1.9802	0.83785	0.078	0.153	1.473	0.305
PI 1	4.00	2.4625	0.64517	0.007	0.153	0.222	0.305
PI 2	4.00	2.3676	0.74219	-0.241	0.153	0.517	0.305
PI 3	4.00	2.5217	0.69901	0.219	0.153	0.192	0.305
PI 4	4.00	2.9565	0.48190	0.763	0.153	3.793	0.305
PI 5	4.00	3.0000	0.40825	-0.353	0.153	2.864	0.305
PI 6	4.00	2.4545	0.67473	0.146	0.153	0.245	0.305
ROS 1	4.00	2.9012	0.48193	0.479	0.153	1.804	0.305
ROS 2	4.00	2.9526	0.51728	0.589	0.153	2.596	0.305
ROS 3	4.00	2.9565	0.49007	0.513	0.153	2.719	0.305
ROS 4	4.00	2.6087	0.67336	0.206	0.153	0.081	0.305
ROS 5	4.00	2.5889	0.65843	0.172	0.153	0.306	0.305
AC 1	4.00	2.9565	0.37012	0.984	0.153	2.587	0.305
AC 2	4.00	2.9802	0.31435	0.453	0.153	2.229	0.305
AC 3	4.00	2.9091	0.41264	1.315	0.153	1.157	0.305
AC 4	4.00	2.7945	0.65862	1.686	0.153	2.771	0.305
AC 5	4.00	2.5455	0.61955	0.426	0.153	0.161	0.305
AC 6	4.00	2.8617	0.73506	1.166	0.153	1.658	0.305
RMB 1	4.00	2.6996	0.89347	0.919	0.153	0.051	0.305
RMB 2	4.00	2.6482	0.86761	0.979	0.153	0.057	0.305
RMB 3	4.00	2.5652	0.95155	0.732	0.153	0.726	0.305
RMB 4	4.00	2.6601	0.64478	0.012	0.153	0.237	0.305
RMB 5	4.00	2.6996	0.71038	0.564	0.153	0.321	0.305
MSG 1	4.00	2.4348	0.60479	0.235	0.153	0.452	0.305
MSG 2	4.00	2.4822	0.65213	0.453	0.153	0.264	0.305
MSG 3	4.00	2.4822	0.77963	0.725	0.153	1.458	0.305

MSG 4	4.00	2.5336	0.65757	0.505	0.153	1.104	0.305
MSG 5	4.00	2.5020	0.60175	0.228	0.153	0.373	0.305
MSG 6	4.00	2.3162	0.66280	0.041	0.153	1.187	0.305
MS 1	4.00	3.3333	0.47809	0.738	0.393	1.544	0.768
MS 2	4.00	3.3056	0.46718	0.881	0.393	1.299	0.768
MS 3	4.00	3.1389	0.48714	0.378	0.393	1.076	0.768
MS 4	4.00	3.4167	0.60356	-0.487	0.393	1.582	0.768
MS 5	4.00	3.6944	0.52478	1.494	0.393	1.449	0.768
DV	4.00	2.5930	0.50384	0.016	0.153	1.918	0.305
OS 1	4.00	3.3056	0.62425	0.315	0.393	0.564	0.768
OS 2	4.00	3.6389	0.48714	0.604	0.393	1.735	0.768
OS 3	4.00	3.5556	0.73463	1.805	0.393	2.264	0.768
OS 4	4.00	3.1667	0.44721	0.789	0.393	1.176	0.768
OS 5	4.00	3.2222	0.48469	0.564	0.393	0.159	0.768
FS 2	4.00	3.2222	0.48469	0.564	0.393	0.159	0.768
FS 2	4.00	3.0556	0.58282	0.002	0.393	0.187	0.768
FS 3	4.00	3.3056	0.57666	-0.110	0.393	0.510	0.768
FS 4	4.00	3.2222	0.54043	0.151	0.393	1.022	0.768
FS 5	4.00	3.2222	0.76012	0.818	0.393	0.634	0.768
MV	3.73	3.3204	0.26848	0.683	0.393	0.598	0.768
Valid N (listwise)							

Source: Primary data 2015

From table: (9) above, the values of skewness and kurtosis are all close to zero, which shows that the data is normally distributed. According to Pallant, (2001) values not exceeding (3) are close to zero. When data is normally distributed it enhance the reliability of the results that researcher(s) would present as a result of conducting their research. According to Abdurrahman (2010) normally distributed data enhance the degree to which results are relied upon. In the same vein, Stella (2013) emphases that skewness and kurtosis analysis are very reliable means of revealing the distribution of a data set, which is essential before further analysis could be undertaken.

Table 10: Correlation matrix

Legal Environmental Factors	Existing and Potential Suppliers	Technological Factors	Socio Cultural Factors	IV
R=0.537** Sig=0.000	R=0.508** Sig=0.000	R=0.619** Sig=0.000	R=0.340* Sig=0.056	R=0.487** Sig=0.000

Source: Primary data 2015

Table (10) shows clearly that there is significant relationship between three out of the four constructs of the independent variable (Business environmental factors) with the dependent variable (competitiveness). Legal environmental factors (R=0.537 and sig=0.00), existing and potential suppliers (R=0.508) and sig=0.000), technological factors (R=0.619 and sig=0.000). However, there is insignificant relationship between socio cultural factors and competitiveness (R=0.340 and sig=-0.056). All these further signify that there is sufficient relationship among the study variables.

4.1.5 Multi-Coliniarity Test

Table 11: Coliniarity statistics

Model	Colinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Legal Environment	0.876	1.142
Existing and suppliers	0.734	1.362
Technological Factors	0.722	1.386
Socio Cultural factors	0.705	1.419

From table (11) it is evident that the values of tolerance are all greater than 0.2 and values of variance inflation factor (VIF) are less than 9, which shows there was no multicollianity in the data.

4.1.6 Test for Homogeneity

Table 12: Levene's test

Variables	Levene's test	Sig
Business Environmental Factors	1.961	0.061
Competitiveness	1.876	0.074

Source: Primary data, (2015)

Levene's test is used to determine homogeneity of data. This is based on the assumption of all parametric tests that samples are obtained from population of equal variances, therefore Lavenes test is performed to determine the homogeneity of variances when sig is not significant, (Field, 2009). If Levenes is >0.05 , it means it is not significant and there is homogeneity in the data. Results on table 12 clearly show that data is homogenous.

4.2 Background information of companies

Table 13: Location of Business

Business location (Local Government Areas)	Dala Local government area	4	12.5
	Fagge Local government area	5	15.6
	Gwale Local government area	3	9.4
	Kumbotso Local government area	3	9.4
	Nassarawa Local government area	6	18.7
	Tarauni Local government area	3	9.4
	Ungogo Local government area	4	12.5
	Municipal local government area	4	12.5
	Total	32	100%

Source: Primary data 2015

Table 13 above shows the location of the companies as per each local government area in Kano metropolis: Dala 4 Companies =12.5%, Fagge 5 companies= 15.6%, Gwale 3 companies=9.4%, Kumbotso 3 companies=9.4%, Nassarawa 6 companies=18.7%, Tarauni 3 companies =9.4%, Ungogo 4 companies= 12.5% and Municipal 4 companies=12.5%. These results show a high concentration of these companies at Nassarawa local government area of the Kano metropolis (18.7%). Some reasons could be responsible for this the; Nassarawa (LGA) is one of the most urban areas of the metropolis; it also has close proximity to the largest drugs market in the state (Abubakar Rimi Market).etc. however, Dala despite being the most populated local government area, (2006) census has no large concentration of pharmaceutical companies.

The companies are not equally spread in the metropolis in terms of business location. Nassarawa local government area has the highest concentration of these companies, as results have shown that it has 19% of the entire companies under investigation.

Table 14: Descriptive statistics of independent variable (Business Environmental Factors)

Questionnaire Items	Mean	Std. Deviation	Description
ment of the regulations governing the pharmaceutical sector	2.8814	0.64378	High
of legislations governing patent rights	2.7747	0.65513	High
of import restrictions on the sector	2.8419	0.60970	High
of import duties on pharmaceutical products	2.8893	0.67525	High
ctions on advertisements and promotional activities	2.7708	0.55171	High
e of laws governing employment in the pharmaceutical sector	2.8696	0.52211	High
mance of the company's suppliers	3.0988	0.63786	High
ers contribution to the success of company operations	3.0949	0.64156	High
if supplier turn over in the last five years	2.4822	0.72695	Low
changes affecting suppliers in the company	2.8379	0.55762	High
it which suppliers are evaluated	3.1383	0.53511	High
if suppliers withdrawing their business from the company	2.2569	0.76194	Low
of technological change in the pharmaceutical sector	2.9881	0.42241	High
t which the company switch to new technology	2.7668	0.56779	High
Adoption of information technology by the company	2.9091	0.52292	High
ological innovation by the company	2.5731	0.62328	Low
echnology helps breakthrough in research within the company	2.5455	0.71472	High
nces of major technological problems in the company	2.2253	0.73506	Low
al influence on company operations	2.4783	0.58801	Low
nship between the company and the local environment	2.9802	0.56660	High
any participation in social activities	2.9289	0.69213	High
ender issues affect the company	2.4545	0.73119	Low

Source: Primary data, 2015

Table 15: Descriptive Statistics of dependent variable (Competitiveness)

Questionnaire items	Mean	Std. Deviation	Description
Assessment of the company management in the last five years	2.2134	0.99298	Low
Level of general development of the company	2.2925	0.94356	Low
Internal stability of the company	2.2292	0.96917	Low
Level of success being recorded by the company	2.2688	1.00341	Low
Company's future prospects	2.4229	1.13695	Low
Positive responses from customers	2.2925	0.97662	Low
Positive responses from distributors	2.2569	0.97244	Low
Level of expansion in distributors	2.4941	0.72166	Low
Size of the company's retail outlets	2.4506	0.82287	Low
Negative reactions to company products	1.9802	0.83785	Very low
Company's innovative capacity	2.4625	0.64517	Low
Rate of new product development	2.3676	0.74219	Low
Size of the company's product range	2.5217	0.69901	High
Acceptance rate of company products	2.9565	0.48190	High
Product packaging	3.0000	0.40825	High
Breakthrough in terms of drug discovery	2.4545	0.67473	Low
Volume of sales	2.9012	0.48193	High
Performance of the company in Kano metropolis	2.9526	0.51728	High
Volume of sales in the wholesale sector	2.9565	0.49007	High
Performance in retail business	2.6087	0.67336	High
Level of increase in the company's distributor base in the last 3 years	2.5889	0.65843	High
Changes in company operations in recent times	2.9565	0.37012	High
Level of change in operational policies	2.9802	0.31435	High
Level of shifts/changes in suppliers policies	2.9091	0.41264	High
Rate of change in production in the last 3 years	2.7945	0.65862	High
Level of increase in employee's pay	2.5455	0.61955	High

Level of shifts/changes as a result of government policies	2.8617	0.73506	High
Expenditure in sales and marketing	2.6996	0.89347	High
Level of marketing programs being undertaken by the company	2.6482	0.86761	High
Assessment of the marketing programs undertaken by the company	2.5652	0.95155	High
Level of training to the sales team	2.6601	0.64478	High
Size of the size of the company's sales vans and trucks	2.6996	0.71038	High
Venturing into other businesses by the company	2.4348	0.60479	Low
Level of increase in sales and distribution outlets in Kano metropolis	2.4822	0.65213	Low
Increase in profit in the last 3 years	2.4822	0.77963	Low
Increase in working capital in the last 3 years	2.5336	0.65757	High
Company sales in relation to its size	2.5020	0.60175	High
Performance of the company's stock (equity) in the stock market	2.3162	0.66280	Low

Source: Primary data, 2015.

Table 16: Descriptive Statistics of the Moderating variable (Business strategy)

Questionnaire items	Mean	Std. Deviation	Description
Company's marketing budget in the last five years	3.3333	0.47809	Very high
Plan for product expansion in the next 3 years	3.3056	0.46718	Very high
Preparedness for changes in competitor activities	3.1389	0.48714	High
Assessment of the company's current marketing activities	3.4167	0.60356	Very high
Preparedness to develop new marketing strategies	3.6944	0.52478	Very high
Company's distribution trucks and vans	3.3056	0.62425	Very high
Company's ability to stock raw materials and components	3.6389	0.48714	Very high
Level of current raw materials in the company	3.5556	0.73463	Very high
Preparedness in terms of equipments and machinery	3.1667	0.44721	High
Stock of finished products currently.	3.2222	0.48469	High
State of the company's current financial position	3.2222	0.48469	High
Level of company's liabilities	3.0556	0.44582	High
Level of the company's debt profile	3.3056	0.57666	Very high
Level of the company's dividend payment in the last 3 years	3.2222	0.60122	High
Level of the company's creditors	3.2222	0.76012	High

Source: Primary data, 2015

Interpretation of the mean scores:

Mean range	Description	Interpretation
3.26-4.00	Very high	Very good
2.51-3.25	High	Good
1.76-2.50	Low	Fair
1.00-1.75	Very low	Very poor

Source: Suleiman (2006).

Table 17: Relationship between Mean Scores

			F	Sig.
DV * IV	Between Groups	(Combined)	3.085	0.000
		Linearity	80.445	0.000
		Deviation from Linearity	1.883	0.000
	Within Groups			
Total				

Table 17 above shows that the means of both the independent variable (business environmental factors) the moderating variable (business strategy) and the dependent variable (competitiveness) are significance at sig value 0.00 which is less than 0.01.

Table 18: linear correlation analysis

Legal Environmental Factors	Existing and Potential Suppliers	Technological Factors	Socio Cultural Factors	IV
R=0.537** Sig=0.000	R=0.508** Sig=0.000	R=0.619** Sig=0.000	R=0.340* Sig=0.056	R=0.487** Sig=0.000

Source:
Primary data, 2015

From table (18) above, Business environmental factors and competitiveness have a positive and significant relationship ($R=0.487$ and $\text{sig}=0.000$). The results lead to the conclusion that business environmental factors significantly affect and influence the competitiveness of the pharmaceutical companies, at 0.05 level of significance. However, the results further indicate that, a relationship between legal environment and competitiveness is strong at ($R=0.537$ and $\text{sig. } 0.00$), and also significant relationship between existing and potential suppliers and competitiveness ($R=0.508$ and $\text{Sig}=0.000$), also the relationship between factors in the technological environment and competitiveness is significant ($R=0.619$ and $\text{sig}=0.000$) however, the relationship between factors in the socio cultural environment and competitiveness is weak at ($R=0.340$ and $\text{Sig}=0.056$).

These findings are in line with that of (Sum, 2015) who established a significant statistical relationship, between the Integration of the firms training into the firm's business strategies and the firm's competitiveness. The findings also corroborate that of Skinner and Ivancevich, (1996) who establish a significant relationship between factors

in the external environment and performance of business organizations, and further establish that these factors such as economic conditions, regulations by government, politics, and attitudes of society and competition by other firms combine to affect the firm's marketing environment. The results also support that of Duncan, (1972), Hanbrick, (1982) and Culnan, (1983) who all established that the environment has events and trends which may negatively or positively affect the organization. And managers must monitor these events through environmental scanning in order to understand them and put them to good effect for the benefit of the organization.

To show the extent of the relationship, regression analysis was conducted as follows:

Table 19: Model Summary

	R	R Square	Adjusted R ²	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.620	0.385	0.375	0.39833	0.385	38.798	4	248	0.000

redictors: (Constant), IV

Legal environment, Suppliers, Technological factors, Socio cultural factors

Table 20: ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	24.623	4	6.156	38.798	0.000 ^a
Residual	39.349	248	0.159		
Total	63.972	252			

redictors: (Constant), IV, Legal Environment, Existing and Potential
ers, Socio cultural factors.

Table 21: Coefficients

Model	Un-standardized Coefficients		Standardized Coefficients	t.	Sig.
	B	Std. Error	Beta		
1(Constant)	0.536	0.365		4.026	0.000
Legal environment	0.599	0.586	0.666	4.942	0.000
Existing and potential suppliers	0.566	0.421	0.642	4.542	0.000
Technological factors	0.532	0.434	0.634	3.623	0.000
Socio Cultural Factors	0.033	0.212	0.042	0.492	0.064
IV	1.325	0.235	0.743	3.639	0.000

a. Dependent Variable:

DV(Competitiveness)

Regression model:

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	24.623	4	6.156	38.798	0.000 ^a
Residual	39.349	248	0.159		
Total	63.972	252			

Dependent Variable: DV Competitiveness

The results of the linear regression analysis on table 19, Model summary, show that business environmental factors explained (0.375=38%) of the dependent variable (adjusted R^2). In the same vein, the results from the Annova (table 20) further indicate that business environment factors and competitiveness are moderately correlated ($F=38.798$ and sig value is significant at $\text{sig}=0.000$). The adjusted R on the model summary proves that competitiveness the dependent variable relies on business environment factors up to (0.375=38%). The results of the standardized coefficients (Beta) indicate that with the exception of the socio-cultural factors (0.042) all other factors suppliers (0.642), technological factors (0.634), and legal factors (0.666) are good predictors of the business environment factors, with alpha at (0.05) level of significance. (These results prove that business environmental factors significantly influence competitiveness among pharmaceutical companies in Kano metropolis. The results further show that, location of business is not a good predictor of competitiveness among the pharmaceutical companies beta (-0.053) and sig value at (0.293). The qualitative data also shows a high degree of laws and regulations within the business environment, there is also an average level of technological development in the sector, however, cultural and religious factors are low in that regard.

4.3 Moderating Effect of Business Strategy on Competitiveness

Table 22: Moderating effect of business strategy on competitiveness

del	Model 1		Model 2		Model 3		Model 4
	Beta	Std. error	Beta	Std error	Beta	Std error	Beta std error
riables constant							
usiness strategy	0.65	0.17757	0.156	0.114	0.487	0.098	0.14
usiness Environmental			0.076	0.227			0.020
tors							
npetitiveness							
ation of business							
value	0.165		0.182		0.487		0.182
value	0.027		0.033		0.237		0.333
. value	0.336		0.576		0.000		0.778
value	0.952		0.563		78.177		0.366
usted R ²	-0.001		-0.026		0.234		0.570

Source: Primary data, 2015

In model (1) from table (22) above, the R² value is (0.027) which means the moderating variable contributes only 2.7% to the variation of competitiveness. However, with the addition of the independent variable to the moderating variable in model (2), the R² value increased to (0.033) which indicates that the Independent variable contributes only (0.6%) to the variation of competitiveness. In model three, without the moderating variable (Business strategy) the R² value rose to 0.237. This confirms that the mediating variable actually does not moderate the relationship between business environmental factors (IV) and competitiveness the (DV), considering that the R² value is at its highest without the moderating variable as is the case in

model 2. In model 4, the control variable, location of business does not have a significant effect on competitiveness as shown by the sig value (0.778).

The sig. value from table 22 = (0.575) model (2) shows that we cannot reject the null hypothesis that business strategy does not significantly moderate the relationship between business environmental factors and competitiveness.

These findings are however, not in line with that of Duncan, (1972) and Pfeffer and Salancik, (1978) who established that strategy, planning and coordination, structural complexity and organic versus mechanistic work process tend to fit environmental characteristics. It is also not in line with the findings of Duncan, (1972) and Grant, (1999) who observe that, the most single significant influence on organizational policy or strategy is the environment outside and inside the organization. It is also not in line with the qualitative results which show that marketing strategies and financial strategies are not adequate among pharmaceutical companies in Kano metropolis, Nigeria.

To limit the weakness of the Likert scale which was used to gather data for the study, qualitative data was gathered, through interviews with some management staff and senior managers of the pharmaceutical companies. According to Miles and Huberman, (1994) qualitative data is sexy. They are a source of well grounded, rich descriptions and explanation of processes in identifiable local content. With qualitative data one can preserve chronological flow, see precisely which events led to which consequences, and drive fruitful explanations. The guiding principle behind this study (qualitative study) is interpretivism and the ontology of objectivism.

Some analytical practices which may be used across different qualitative research types

Affixing codes to a set of field notes drawn from observations or interview

Sorting and sifting through these materials to identify to identify similar phrases, relationships between variables, patterns, themes, distinct differences between such groups and common sequence.

Gradually elaborating a small set of generalizations that cover the consistencies discern in the data base confronting these generalizations with a formalized body of language in the form of constructs or theories

The interview questions were structured as per the objectives of the study:

4.4 Interview questions and responses

Question one: How are laws and legal provisions affect the company within this environment?

Respondent 1: 'Yes there are several laws pertaining to the way pharmaceutical companies operate in Kano state and they affect us highly'.

Respondent 2: 'Quite alright pharmaceutical business is regulated highly by governments both at federal and state levels'.

Respondent 3: 'We are constantly being regulated by government through its agencies such as ministry of health, and National Agency for Foods Drugs Administration and Control (NAFDAC)'.

Respondent 4: 'Government always has its eyes on pharmaceutical companies'

Respondent 5: 'They constantly harass and intimidate us imposing all sorts of restrictions and taxes on us'.

Question 2: What is your assessment of the technological development of your company?

Respondent 1: 'We are developing gradually, we need to go about it slowly it is not easy to develop technologically overnight'.

Respondent 2: 'My answer to that is that we are not doing badly'.

Respondent 3: 'We have some fairly good equipment in the country, remember our facilities are always regularly inspected by NAFDAC and we have standard equipments

for production they may not be the best in the world but we have standard equipments’.

Respondent 4: 'We have advanced technology at our production outfit; our laboratories are even used by students of institutions of higher education for research’.

Respondent 5: 'We still use locally fabricated machines and equipments for production the advanced technology equipments are very expensive and not easily available’.

Question 3: *Has there ever been issues from the cultural or religious aspects of the society that has affected or influence the business operations of your company?*

Respondent 1: 'No not at all’

Respondent 2: 'We live in harmony. We respect the culture and religious diversity of Nigerians these are of no effect whatsoever to our operations’.

Respondent 3: 'We had some concerns when some religious leaders called for a ban on production of adult cough syrups because some of our youths were taking over dose of the medicine as intoxicant. However, as a company we had no issues directly from that angle’.

Respondent 4: 'No not at all we are at peace with our host community; the company is also a corporate social responsible company’.

Respondent 5: 'We operate and respect our host community our staff list is diverse comprising Nigerians of diverse cultural and religious beliefs’.

Question 4: *what is your opinion about the way the company is being managed?*

Respondent 1: 'The company is being managed well it has not been easy but management is doing well i believe’.

Respondent 2: 'Good, I will rate them as good’.

Respondent 3: 'They are doing a good job not bad at all’.

Respondent 4: 'They have transformed the company well within three years the management have rescued our company'.

Respondent 5: 'Good management with the support of our chairman our company is doing well'.

Question 5: *What is your assessment of the size company's customer base?*

Respondent 1: 'Our Company has a large network of customers'.

Respondent 2: 'Our distributors are who sell to other categories of buyers'.

Respondent 3: 'The Company has a large network of buyers for our products'.

Respondent 4: 'We sell to bulk buyers and selected public institutions we are satisfied with our network'.

Respondent 5: 'We have many buyers of our products but there is still room for improvement'.

Question 6: *How does the company monitor responses from its customers?*

Respondent 1: 'We monitor through our distributors they provide valuable assistance especially with regards to fake drugs and counterfeiting of our products'.

Respondent 2: 'The Company has a way of monitoring responses on our products through various hospital doctors and pharmacists'.

Respondent 3: 'Our products have been rated highly by NAFDAC and other agencies, our sales representatives have also been monitoring responses of our customers regularly'.

Respondent 4: 'Various mechanisms are put in place for monitoring our products we employ consultants senior pharmacists with links in hospital and also some management consultants to monitor responses on our products and advice on strategies'.

Respondent 5: 'NAFDAC has a monitoring unit which sets standards for the industry in Nigeria, we work hand in hand with them also with ministry of health and the pharmaceutical council of Nigeria, and the chamber of commerce we get intelligence reports from clinics, hospital and other health centers'

Question 7: *How regularly does the company introduce new products?*

Respondent 1: 'Not regularly it's an expensive exercise'

Respondent 2: 'We have not introduce any new product in the last three years'

Respondent 3: 'Only when the situation warrants, it's difficult to get license for new products'

Respondents 4: 'On a regular basis its part of our strategy to introduce products regularly'

Respondent 5: 'Not on a regular basis it is so frustrating they put so many conditions to get NAFDAC registration and it is expensive'

Question 8: *What is the level of change witnessed by the company in the last five years?*

Respondent 1: 'The Company has changed a lot, both physically and in terms of staff strength'.

Respondent 2: 'We have evolved as a company; our company is now better that it was in the last five years'.

Respondent 3: 'The Company has introduced new and better equipments in the last five years we are now better structured than before'.

Respondent 4: 'Not much has changed it has not been easy'.

Respondent 5: 'Management has introduced a lot of changes to the company'.

Question 9: *How will you assess the marketing strategies put in place by your company?*

Respondent 1: 'They have put in place adequate marketing strategies to market and promote our products'.

Respondent 2: 'There are sufficient marketing plans,' and 'efforts put forward by the company management, which i believe are good enough'.

Respondent 3: 'I am not sure', 'they have not been doing well, as far as selling products are concerned, they don't reach out to many untapped areas of the market, efforts are only concentrated on distributors'.

Respondent 4: 'These strategies are not entirely adequate', 'the figures have not shown sufficient level of growth in our sales for many years now, and we have large stock of finished products'.

Respondent 5: 'It is not for me to say', they keep changing our sales representatives regularly; 'they also don't reach out to doctors and pharmacists they only concentrate too much on the open drugs market at (Sabon Gari)' and 'few hospitals and clinics where drugs are regularly prescribed'.

Question 10: *How has the company fared in terms of operations and running the company generally?*

Respondent 1: 'The Company has been going on smoothly, all sectors are working fine'.

Respondent 2: 'We have had several issues with suppliers, transporters', and 'even distributors, a lot need to be done to make us more efficient'.

Respondent 3: 'The Company is running smoothly, we are fine only few issues which is normal'.

Respondent 4: 'The Company needs a new direction', 'there is the need to restructure the company, to enable it to make progress and achieve greater results'.

Respondent 5: 'The structures put in place by the management are good' and 'the company is not in bad shape at all, we are making progress, we have not had serious issues, despite the challenging times all Nigerian companies are facing'. 'Electricity has been a problem diesel is not available at regular prices but yet we are still in production many others have stopped operating but we are still pushing on'.

Question 11: *How will you assess the financial position of your company?*

Respondent 1: 'The company is financially sound salaries are paid regularly' and 'on time, suppliers are paid, 'we have not had many issues with our creditors also'.

Respondent 2: 'The Company has had a stable financial base, sales are growing however, the prices of inputs are putting a lot of pressure on the company's financial resources'.

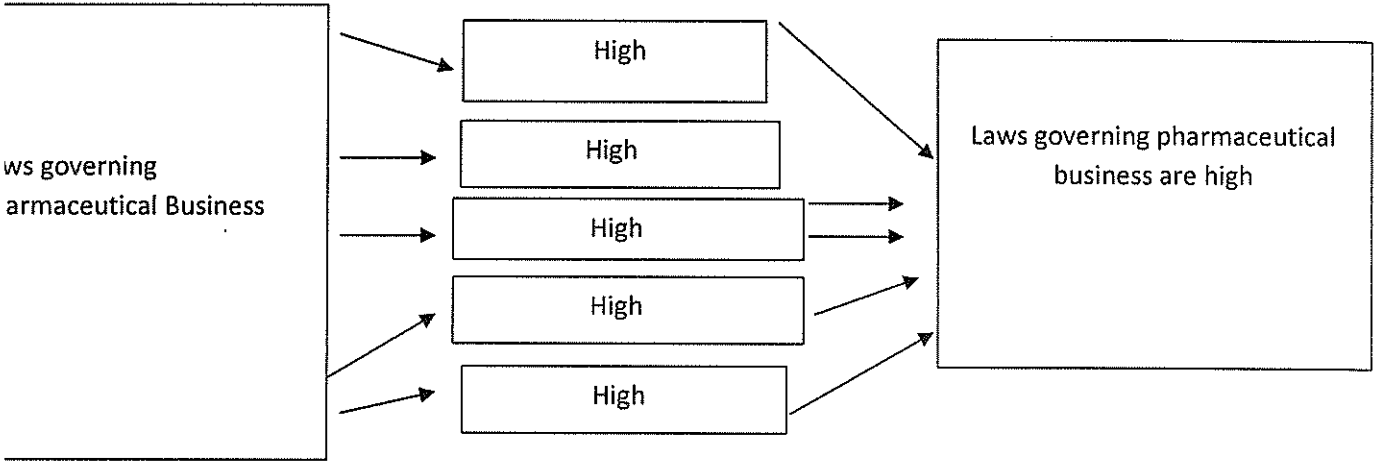
Respondent 3: 'Finance has been our major problem as at last year our creditors were demanding millions of naira of unpaid debt, from suppliers of raw materials to electricity and water bills, and diesel suppliers, really management need to do something and re strategize our finances'.

Respondent 4: 'We are not doing well finance wise'. 'The company has had to borrow at expensive borrowing rates to continue running the company', and they have been using some of the funds to do "cosmetic thing" like beatifying and landscaping the factory's 'premises to the detriment of other more fundamental issues'.

Respondent 5: 'It has been difficult the rate at which the naira has been losing value since the beginning of 2014 has put a lot of pressure on our company'. 'imports have become more expensive and 70% of our inputs are imported'.

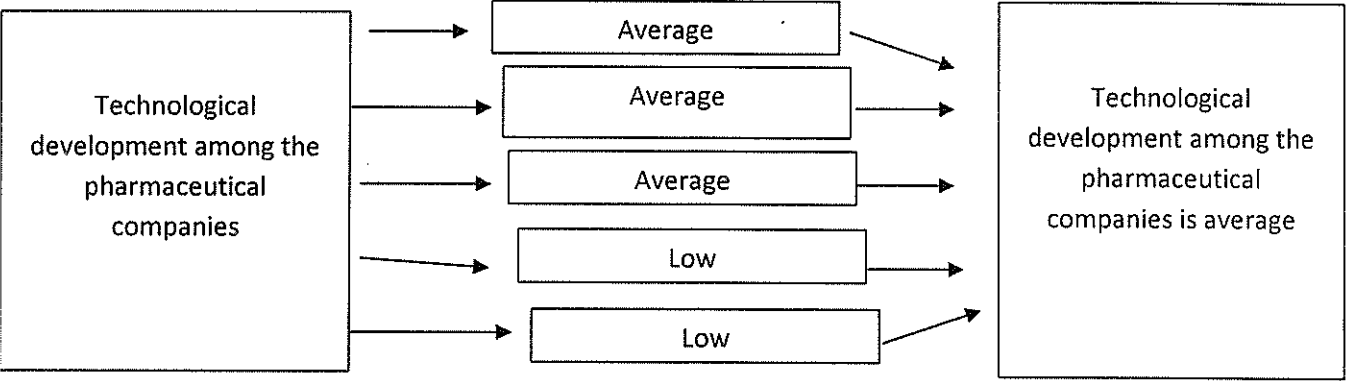
4.5 Analysis of interview responses

Figure 5: Laws Governing the Pharmaceutical Sector



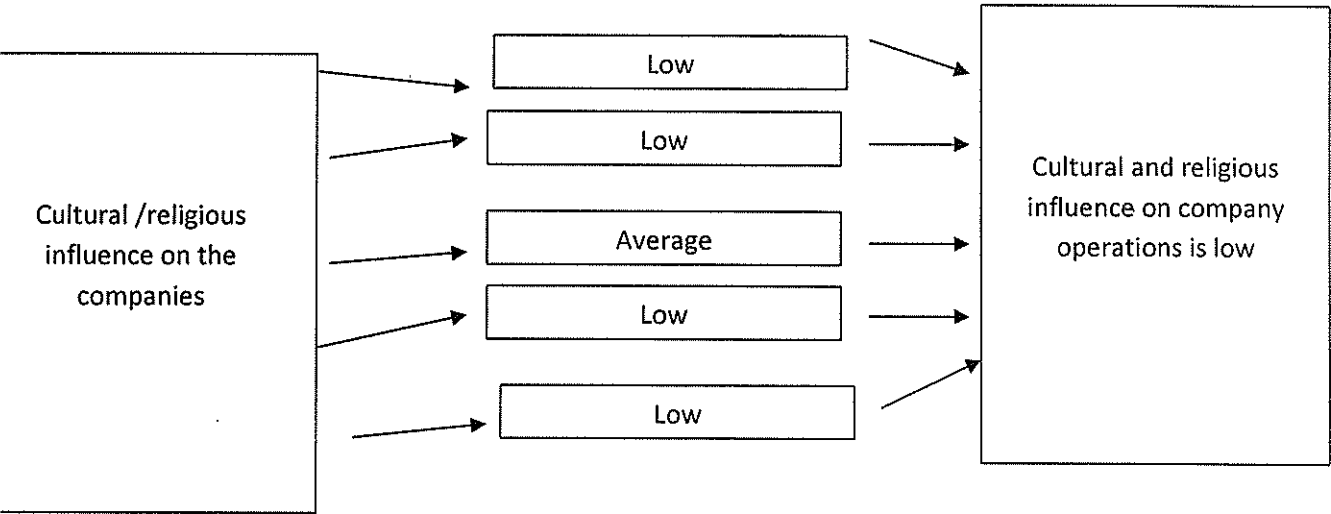
In figure: 5. above it is evident that the Pharmaceutical companies rated the laws governing the pharmaceutical sector as very high. Inference could be made that there are so many laws and regulations in the sector.

Figure 6: Technological Development



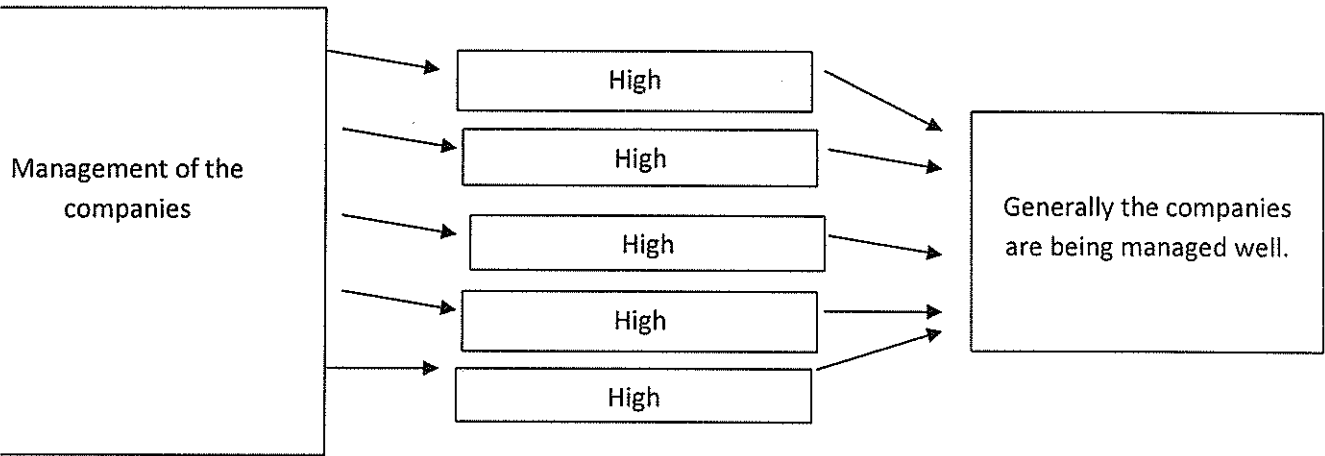
From figure 6 above, it is clear that technological development among the pharmaceutical companies is average.

Figure 7: Cultural and Religious Influence



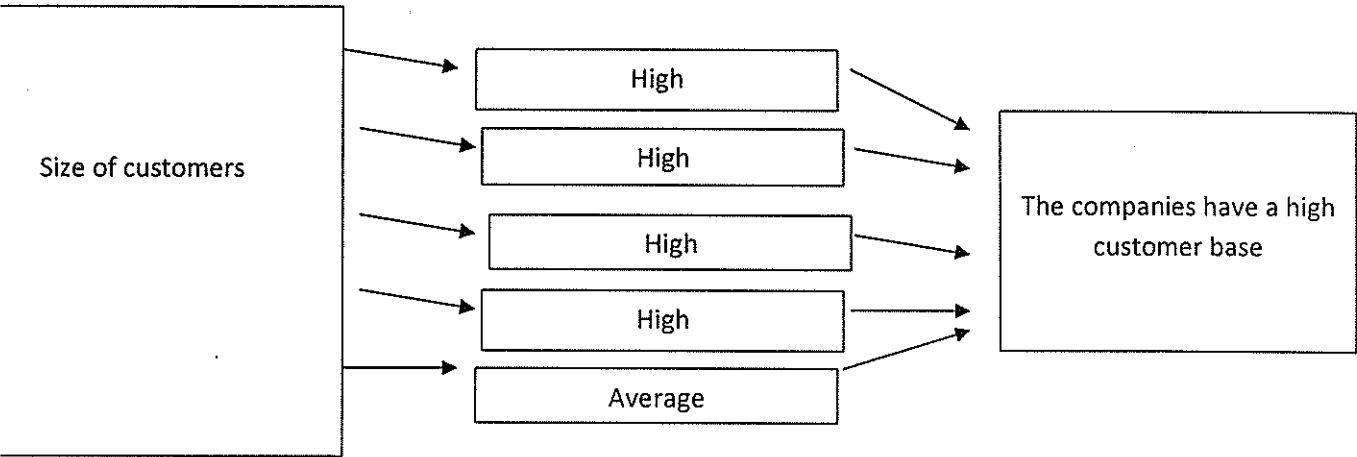
From figure 7 above it has been established that religious and cultural matters do not affect the companies significantly.

Figure 8: Company Management



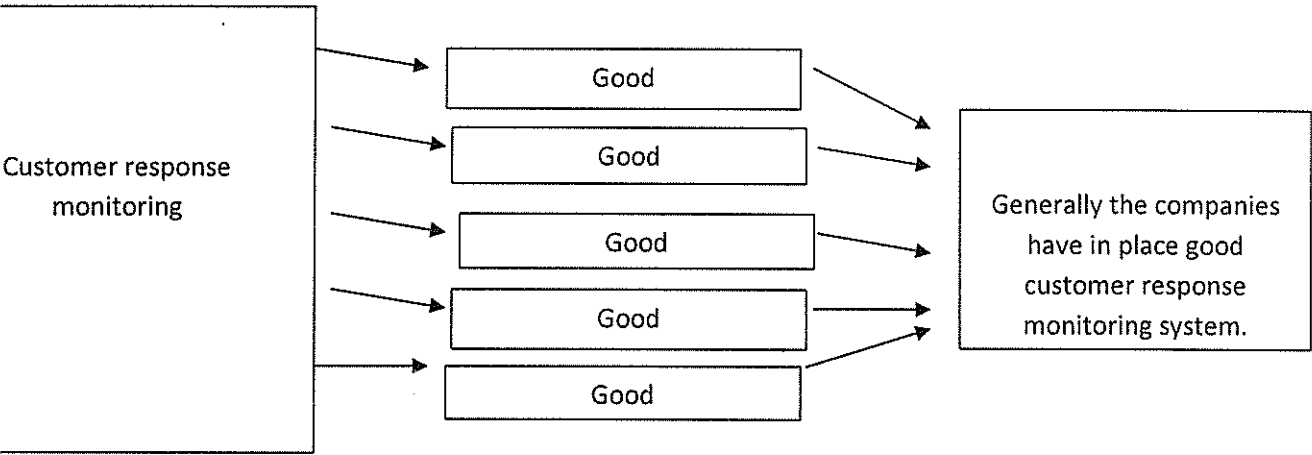
From figure 8 above, it is established that the pharmaceutical companies have competent management.

Figure 9: Size of Customers



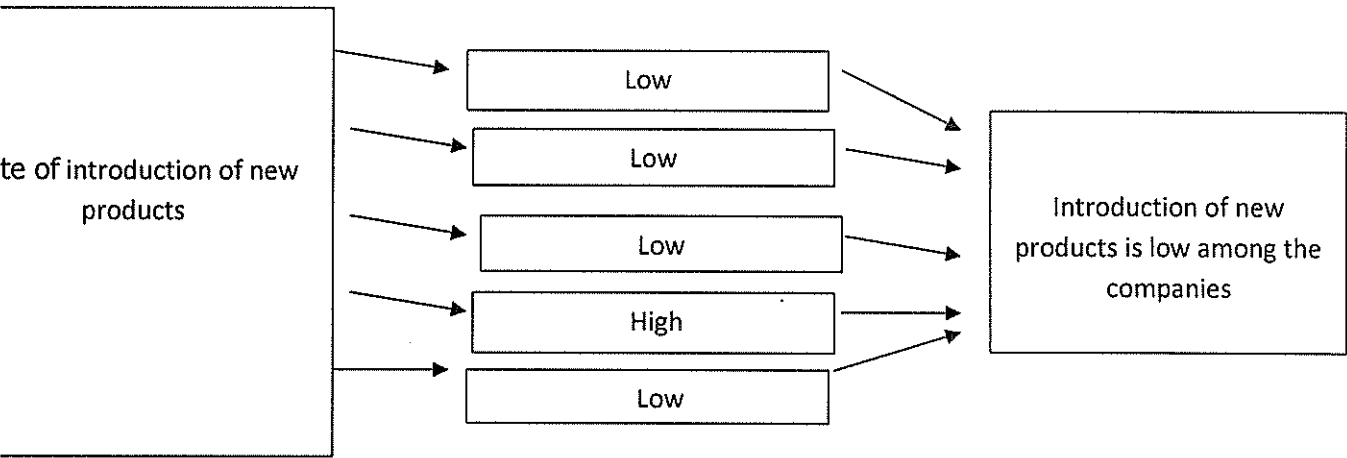
From figure 9 it is clear that the firms have a high customer base within Kano metropolis.

Figure 10: Customer monitoring system



From figure 10 above it is established that customer monitoring system is good among the companies.

Figure 11: Rate of new product introduction



From figure 11 above, it is established that the rate of introduction of new products among the companies is very low.

Figure 12: Level of change within the company

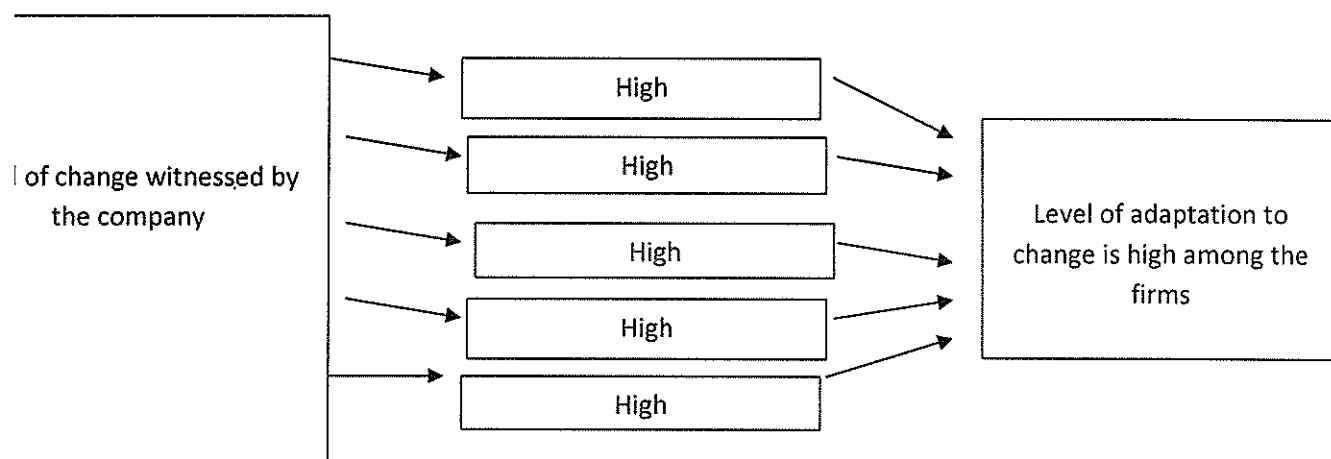


Figure 12 above, it is established that there is a high level of change within the pharmaceutical companies in the last five years.

Figure 13: Marketing Strategies

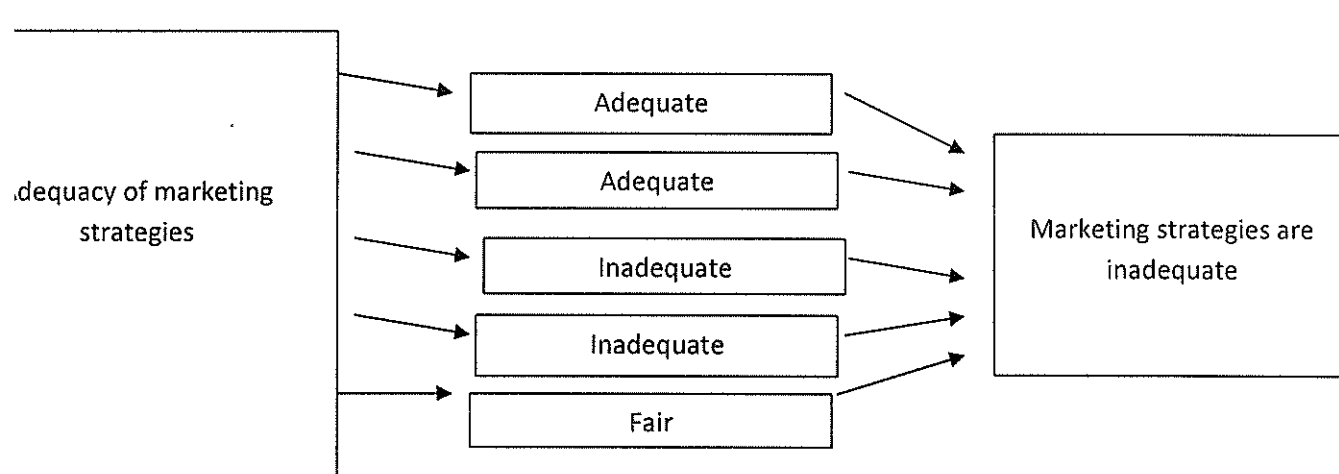


Figure 13, indicates that the pharmaceutical companies need to improve on their marketing strategies.

Figure 14: Company Operations

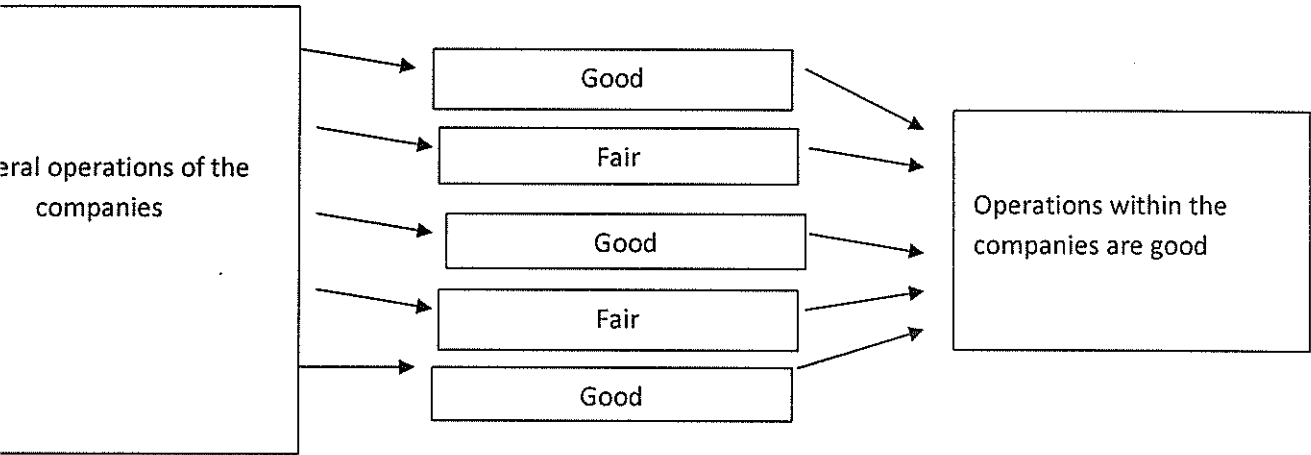


Figure 14 above indicates that the pharmaceutical companies, in Kano metropolis, have on average a good operations system.

Figure 15: Financial Strategies

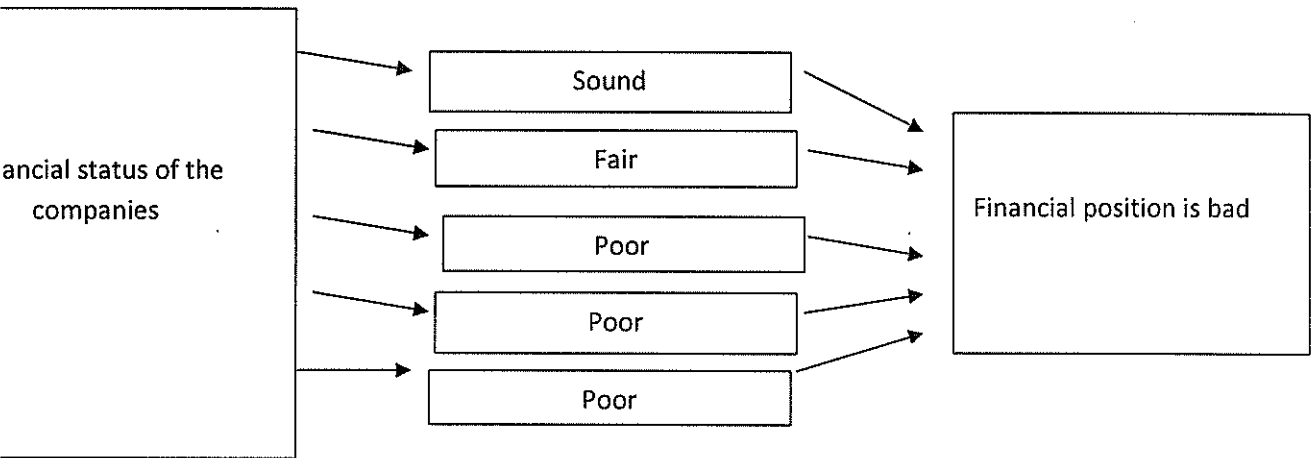


Figure 15, indicates that the pharmaceutical companies need also to improve on their financial outlook, as the results indicate a poor financial status.

CHAPTER FIVE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

5.1 Summary of Research Findings

The main objective of this study was to establish the relationship between business environmental factors and competitiveness.

General objective/purpose of the study

The main objective of the study was to establish the relationship between business environmental factors and competitiveness. The results of the linear correlation analysis table 18, shows that, at $R=0.487$ and sig. value at 0.000, there is a positive moderate linear relationship between business environmental factors and competitiveness, also from the Annova results, table 20, $F=38.798$ and sig. at 0.000 confirms that business environmental factors and competitiveness are strongly correlated.

Objective one:

To investigate the relationship between legal and environmental factors and competitiveness among pharmaceutical companies in Kano metropolis Nigeria, results from the linear correlation analysis table 18 shows clearly that ($R=0.537$) and sig value at (0.000) and the study concludes that there is a strong positive relationship between legal environmental factors and competitiveness among the pharmaceutical companies in Kano metropolis.

Objective two:

To investigate the relationship between existing and potential suppliers as a business environmental factor and competitiveness among pharmaceutical companies in Kano Metropolis, the results from table 18 shows that there is a strong positive linear

relationship between existing and potential suppliers and competitiveness $R=0.508$ and sig value at 0.000.

Objective 3: To determine the relationship between technological factors and competitiveness among pharmaceutical companies in Kano metropolis, reference to table 18 the results indicate a strong linear relationship between factors in the technological environment and competitiveness. $R= 0.619$ and the sig values at 0.000. The study thus concludes that, there is a significant relationship positive between factors in the technological environment and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria.

Objective 4: To establish the relationship between socio cultural factors and competitiveness, from the results on table 18, the $R=0.340$ and the $\text{sig}=0.056$. This study concludes that, the linear relationship between socio cultural factors and competitiveness is positive but not strong.

Objective 5: To determine the moderating effect of business strategy on business environmental factors and competitiveness, results on table 22 shows that, in model 1, the $R=0.165$, $R^2=0.027$ suggesting that the moderating variable contributes a mere 2.7% to the variations in competitiveness among pharmaceutical companies in Kano metropolis, Nigeria. The sig value at 0.336 is not significant.

5.2 Test of Hypothesis

The entire hypotheses formulated were tested as follows:

H1: 1: to test the research hypothesis that there is significant relationship between legal environmental factors and competitiveness, reference was made to table 18 where linear correlation analysis revealed that, legal environmental factors and competitiveness are strongly correlated, ($r=0.537$ and $\text{sig.}=0.000$) this shows that there is a significant relationship between legal environmental factors and competitiveness, therefore, the null hypothesis of no significant relationship is rejected.

H1: 2: To test the null hypothesis of no significant relationship between existing and potential suppliers and competitiveness, reference is made to table 18 where the results indicate that, ($r=0.508$ and $\text{sig.} = 0.000$) therefore, with these significant relationships results we can reject the null hypothesis and conclude that there is a significant relationship between existing and potential suppliers and competitiveness among pharmaceutical companies in Kano metropolis, Nigeria.

H1:3: To test the research hypothesis of significant relationship between technological factors and competitiveness, the results of the linear correlation analysis on table 18 shows that, ($r=0.619$ and $\text{sig}=0.000$) this shows that there is a significant relationship between the two variables and therefore the null hypothesis of no significant relationship between technological factors and competitiveness should be rejected.

H1: 4: to test the hypothesis of no significant relationship between

5.3 Contribution to theory

In conducting this study, the resource dependency theory Pfeffer and Salancik, (1978) was used to underpin the study. The choice was as a result, of the fact that, the theory is relevant to the study. In an attempt to become competitive, business organizations must interact with other firms, and this interaction is for control of resources, which are scarce, and in the process these organizations affect and are affected by each other. This is the cardinal principle of the (RDT) theory.

This study contributes to the theory, looking at the fact that, the study establishes a significant relationship between the factors within the environment and competitiveness. The results further confirm that firms' interaction (with factors within the environment) and competitiveness are positively correlated. The study also validated the competitive advantage theory (Porter, 1980). Competitiveness has been defined and conceptualized using many approaches, what is common to all the approaches particularly at firm level is that, it comes through the firm's ability to develop superior competencies over its rivals. This study establishes many various

levels of competitiveness indicators among the companies under investigation. Various indicators relating to competitiveness through cost savings, supplier performance, management attributes, and customer satisfaction were found among the companies under the investigation.

5.4 Conclusion

In concluding this study it is pertinent to note that, the study succeeded in achieving all the objectives for which it is sought to achieve.

All the objectives of the study have been successfully established:

1. The study establishes significant results on the multi dimensional nature of business environmental factors, competitiveness and business strategy (which are the study variables).
2. The study also establishes positive relationships between business environmental factors (the independent variable) and competitiveness (the dependent variable).
- 3.
3. The study finds the existence of an insignificant relationship between the business strategy (moderating variable) and competitiveness (dependent variable) among the pharmaceutical companies in Kano metropolis.
4. The study also establishes through qualitative data analysis, that fake drugs and counterfeiting of imported drugs is a major challenge for domestic pharmaceutical companies, so also is the issue of multiple taxation by governments at different levels.

Hypothesis which were derived from literature were also tested, the study also establishes various levels of business environmental factors and competitiveness indicators among the companies using means and standard deviation.

5.5 Recommendations

It is worthwhile to make recommendations after a study of this nature and after extensively analyzing the issues inherent in the study the following recommendations are put forward from the result indicators:

- Pharmaceutical companies in Kano metropolis Nigeria should look into the environment more closely, the positive relationship existing between business environment and competitiveness could lead to the conclusion, that, the business environment causes significant variations in their competitiveness. More specifically the legal factors, existing and potential suppliers, technological factors.
- The pharmaceutical companies should note that business strategy does not significantly affect or causes variations in their competitiveness and other dimensions should be explored to possibly detect more competitiveness affecting areas.
- From the demographic characteristics results, it is clear that, the location of business which is one of the primary factors of concern to all businesses should be considered. For example Dala local government, which is the most densely populated of all the forty four (44) local government areas of Kano state, (Census, 2006 figures) does not have much concentration of the pharmaceutical companies. This was further confirmed from the hierarchical regression results which show that location of business is not a good predictor of competitiveness.
- Also the results from the qualitative data indicates areas of concern to the companies such as; respondents rated the managements of their company very low, internal stability within the companies was also rated low, company's future prospects, performance of the company's stock in the capital market, and increase in profits were rated low using the mean scores, showing that a lot still

needed to be done by the managements of these companies to address some of these challenges.

- The government should put in place mechanisms to reduce multiple taxation, also mechanisms should be put in place for speedy clearance of goods and raw material at both sea and airports in order to stimulate manufacturing activities. Many of the Managers interviewed showed a lot of concern in this respect.

5.6 Areas for further research

The following areas are worth consideration by other researchers:

- There is the need to conduct a comparative study on the determinants of competitiveness among pharmaceutical companies in Nigeria, so as to establish further the specific areas of strength and weakness among the pharmaceutical companies.
- Infrastructural Development and Performance of manufacturing companies in north western Nigeria. This would reveal how such firms are faring considering many years of social insecurity in the region.
- Investigating the Role of Government in Stimulating the Manufacturing Sector of the Nigerian Economy. This stems from the fact that, several studies (this one inclusive), have found that government (through its policies) is a negative factor affecting the manufacturing sector of the Nigerian economy.
- Micro Environmental Factors and competitiveness of Selected Manufacturing Companies in North West, Nigeria.
- Analysis of Social Insecurity and Economic Recovery in North West and North East Nigeria.

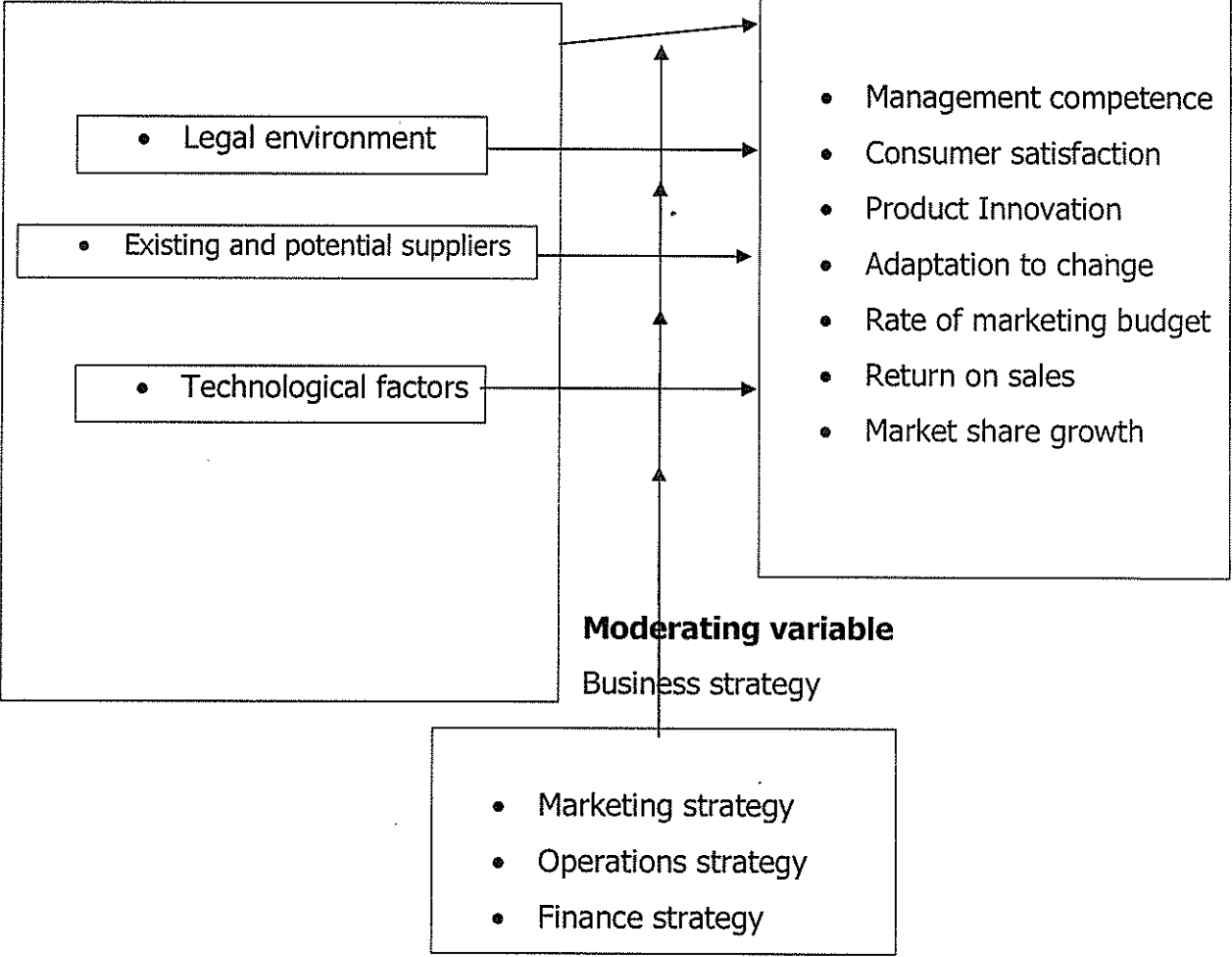
Figure 16: Modified Conceptual Framework

Independent variable

Dependent variable

Competitiveness

Business Environmental Factors



Modified by the researcher (2016)

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APPENDICES

APPENDIX I

QUESTIONNAIRE

KAMPALA INTERNATIONAL UNIVERSITY COLLEGE OF HIGHER DEGREES AND RESEARCH

Dear respondent,

I am a PhD Candidate in International Business, undertaking a dissertation on business environmental factors and competitiveness among domestic pharmaceutical companies in Kano State North west Nigeria. In view of this, I am requesting you to participate in this study by kindly answering this questionnaire without leaving any question unanswered. Please be assured that all the information given will be treated with utmost confidentiality and will be used for academic purpose only.

Before answering this questionnaire, kindly read and sign the 'informed consent' below.

I thank you very much.

Yours faithfully,

.....

ZAKARI UBA

APPENDIX II

INFORMED CONSENT

I hereby give my consent to be part of the research study of Zakari Uba that will focus on Business Environmental Factors and Competitiveness among pharmaceutical companies in Kano metropolis, North western Nigeria.

I am assured of privacy, anonymity and confidentiality and that I will be given an option to refuse participation and the rights to withdraw my participation at anytime I wish to. I have been informed that the research is voluntary and that if I am interested I can have access to the results.

Signature & Date

PROFILE OF THE RESPONDENTS:

Variables	Categories
Gender	1. Male
	2. Female
Age Groups (years)	1. 20 – 40 years
	2. 41-50 years
	3. 51-above years
Educational qualification	1. Primary
	2. Secondary
	3. Tertiary
Designation in the company	1. Management staff
	2. Sales staff
	3. Distribution
	4. Pharmacy staff
	5. Distributor/dealer
Number of years working for the company	1. 1-5 years (New staff)
	2. 6-above (Old staff)
Location of Business	1. Dala 2. Fagge 3. Gwale 4. Kumbotso 5. Municipal 6. Nassarawa 7. Tarauni 8. Ungogo

Name of company you work for:	<ol style="list-style-type: none"> 1. Evans Medical Plc 2. GlaxoSmithklinePlc 3. May and Barker 4. Morrison Plc 5. Pharma Deco Plc 6. Pharma Plus Plc 7. BCN Plc 8. ChrieslibPlc 9. Eko Corp Plc 10. Maureen lab. Plc 11. Pharmacy Plus Plc 12. Others(Specify)----- -----
-------------------------------	--

Please indicate your rating on the space before each option which corresponds to your best choice in terms of the information concerning the company you work for. Kindly use the scoring system below:

Score	Response Mode	Description	Interpretation
1	Very Low	You disagree with no doubt	Very Poor
2	Low	You disagree with some doubt	Poor
3	High	You agree with some doubt	Satisfactory
4	Very High	You agree with no doubt at all	Very satisfactory

Section A.

Independent Variable: Business Environment Factors

/No	Variable	Statement				
	LE	Legal Environment	1	2	3	4
	LE 1	What is your assessment of the regulations governing the pharmaceutical sector?				
	LE 2	What is the level of legislations governing patent rights?				
	LE 3	What is the level of import restrictions in the sector?				
	LE 4	What is the level of import duties on pharmaceutical products?				
	LE 5	What is the rate of restrictions on advertisements and promotional activities?				
	LE 6	What is the nature of laws governing employment in the sector?				
	EPS	Existing /Potential Suppliers	1	2	3	4
	EPS 1	How will you rate the performance of the company suppliers?				
	EPS 2	How will you assess supplier's contribution to the success of company operations?				
	EPS 3	What is the rate of supplier turn over in the last five years?				
	EPS 4	How would you rate policy changes affecting suppliers in the company?				
	EPS 5	What is the rate at which suppliers are evaluated in the company?				
	EPS 6	What is the rate at which suppliers withdraw their business with the company?				

	TF	Technological Factors	1	2	3	4
4	TF 1	What is the level of technological change in the pharmaceutical sector?				
5	TF 2	What is the rate at which the company switches to new technology?				
5	TF 3	What is the degree of adoption of information technology in the company?				
7	TF 4	What are the levels of technological innovation from the company?				
3	TF 5	How has technology help in breakthrough in research in the company?				
9	TF 6	How will you rate incidences of major technological problems in the company?				
	SCF	Socio cultural factors	1	2	3	4
1	SCF 1	What is the level of cultural influences on company operations?				
	SCF 2	How will you rate the relationship between the company and the local environment?				
	SCF 3	What is the level of company's participation in social activities?				
	SCF 4	What is the rate at which gender issues affects the company?				

Score	Response Mode	Description	Interpretation
1	Very low	You disagree with no doubt	Very Poor
2	Low	You disagree with some doubt	Poor
3	High	You agree with some doubt	Satisfactory
4	Very high	You agree with no doubt at all	Very satisfactory

Section B

Dependent Variable: Competitiveness

Variable	Statement				
IC	Management competence	1	2	3	4
IC 1	What is your assessment of company management in the last 5 years				
IC 2	How will you rate the level of development of the company?				
IC 3	What is the rate of internal stability in the company?				
IC 4	How will you rate the level of successes being recorded by the company?				
IC 5	What is your opinion on the company's future prospects?				
S	Customer Satisfaction	1	2	3	4
S 1	Rate the level of positive responses from consumers/customers				
S 2	What is the nature of positive responses from distributors and agents?				
S 3	Rate the level of expansion in terms of the company's distributor base				
S 4	What are the size the company's retail outlet clients?				
S 5	What is the level of negative reactions to company products?				
P	Product Innovation	1	2	3	4
P 1	How will you rate the company's innovative capacity?				
P 2	What is the rate of new product development in the company?				
P 3	How big is the company's product range?				
P 4	How will you rate the acceptance rate of the company's products?				
P 5	How will you rate the company's products in terms of packaging?				
P 6	Rate the company in terms of breakthrough in drugs discovery				

S	Return on Sales	1	2	3	4
OS 1	What is the level of the company's volume of sales presently?				
OS 2	Rate the company's performance in the Kano metropolis market				
OS 3	Rate the company's volumes of sales in the wholesale sector				
OS 4	Rate the performance of the company in retail business				
OS 5	Rate the level of increases in the company's distributors in last 3 years				
	Adaptation to change				
C 1	Rate the level of change in company operations in recent times	1	2	3	4
C 2	What is the level of changes in operational policies in the last 5 years?				
C 3	What are the rates of shifts in supplier policies in the last 3 years?				
C 4	What is the rate of production changes in the last 3 years?				
C 5	What is the level of pay increases to employees?				
C 6	Rate the level of the company to shifts in government policies				
	Rate of marketing budget	1	2	3	4
MB 1	Rate the company's expenditure in sales and marketing program				
MB 2	What is the level of marketing programs undertaken by the company?				
MB 3	What is your assessment of the level of the company's marketing programs?				
MB 4	What is the level of training programs to the sales team in the company?				
MB 5	What is the level of company's sales vans and trucks?				
	Market share growth	1	2	3	4
SG 1	What is the rate at which the company ventures into other sectors?				
SG 2	Rate the level of increase in sales and distribution outlets in Kano				

	metropolis				
SG 3	What is the level of increase in the company's profit in the last 3 years?				
SG 4	Rate the level increase in working capital in the last 3 years				
SG 5	How would you rate the level of company's sale in relation to its size?				
SG 6	Rate the performance of the company's stock in the stock exchange?				

**APPENDIX III:
MANAGEMENT QUESTIONNAIRE**

Variables	Categories
Gender	1. Male
	2. Female
Designation in the company	1. Management staff
	2. Shareholder
Number of years in the company	1. 1-5 years
	2. 6-above
<div style="margin-bottom: 10px;">1. Evans Medical Plc</div> <div style="margin-bottom: 10px;">2. Glaxo Smithkline Plc</div> <div style="margin-bottom: 10px;">3. May and Barker</div> <div style="margin-bottom: 10px;">4. Morrison Plc</div> <div style="margin-bottom: 10px;">5. Pharma Deco Plc</div> <div style="margin-bottom: 10px;">6. Pharma Plus Plc</div> <div style="margin-bottom: 10px;">7. BCN Plc</div> <div style="margin-bottom: 10px;">8. Chrieslib Plc</div> <div style="margin-bottom: 10px;">9. Eko Corp Plc</div> <div style="margin-bottom: 10px;">10. Maureen lab. Plc</div> <div style="margin-bottom: 10px;">11. Pharmacy Plus Plc</div> <div style="margin-bottom: 10px;">12. Other companies (Specify name)-----</div>	

Please indicate your rating on the space before each option which corresponds to your best choice in terms of the information concerning the company you work for. Kindly use the scoring system below:

Management Questionnaire

Score	Response Mode	Description	Interpretation
1	Very Low	You disagree with no doubt	Very Poor
2	Low	You disagree with some doubt	Poor
3	High	You agree with some doubt	Satisfactory
4	Very High	You agree with no doubt at all	Very satisfactory

Section C: Management Questionnaire

Mediating Variable: Business strategy

Variable	Statement				
MS	Marketing strategy	1	2	3	4
MS1	Rate your company's marketing budget in the last 5 years				
MS2	Assess the company's plans for product expansion in the next 3 years				
MS3	How prepared is the company for changes in competitor activities				
MS4	Assess the company's marketing strategies currently				
MS5	Rate the management's preparedness to develop new marketing strategies				
OS	Operations strategy				
OS1	Rate the level company's distribution trucks and vans				
OS2	Rate the company's ability to stock raw materials and components				
OS3	What is the level of the company's raw materials?	1	2	3	4
OS4	How prepared is the company in terms of equipments and machinery				
OS5	What is the level of the company's finished products presently?				
FS	Finance strategy				
FS1	Assess the current state of the company's financial position presently?				
FS2	What is the level of the company's liabilities?				
FS3	What is the level of the company's debtor profile?				
FS4	What is the company's level of dividend payment in the last 3 years?				
FS5	What is the level of the company's creditors?				

APPENDIX IV:

INTERVIEW GUIDE

The interview was intended to cover some of the weaknesses of the Likert scale used in the questionnaires. Additionally, in writing down their responses, some respondents would wish to express their opinion. This in some instance is not possible; however, the interview covers some of these gaps.

Question 1: How are laws and legal provisions affecting the company operations?

Question 2: What is your assessment of the technological development of your company?

Question 3: Has there ever been issues from the cultural or religious aspects of the society that has affected or influence the business operations of your company?

Question 4:What is your opinion about the way the company is managed?

Question 5: What is your assessment of the size of company's customer base?

Question 6: How does the company monitors responses from its customers?

Question 7: How regularly does the company introduce new products?

Question 8: What is the level of change witnessed by the company in the last five years?

Question 9: How will you assess the marketing strategies put in place by the company?

Question 10: How has the company fared in terms of operations and running the company generally?

Question 11: How will you assess the financial position of the company?

APPENDIX V:

INTRODUCTORY LETTER



**KAMPALA
INTERNATIONAL
UNIVERSITY**

Ggaba Road-Kansanga.
P.O. Box 20000, Kampala, Uganda.
Tel: +256-414-266813, +256-414-267634
Fax: +256-414-501 974. Cel: +256-706-251084
E-mail: admin@kiu.ac.ug.
Website: www.kiu.ac.ug

COLLEGE OF HIGHER DEGREES AND RESEARCH

Dear Sir/Madam,

Re: INTRODUCTION LETTER FOR ZAKARI UBA REG. No PhD/35456/113/ DF

The above mentioned candidate is a student of Kampala International University pursuing a PhD in Business Management, (International Business).

He is currently conducting a research for his dissertation titled **BUSINESS ENVIRONMENTAL FACTORS AND COMPETITIVENESS: AMONG PHARMACEUTICAL COMPANIES IN KANO METROPOLIS, NIGERIA**

Your Organization has been identified as a valuable source of information pertaining to the research subject interest. The purpose of this letter then is to request you to kindly cooperate and avail the researcher with the pertinent information he may need. It is our ardent belief that the findings from this research will benefit KIU and your organization.

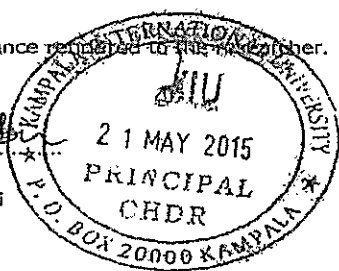
Any data shared with the researcher will be used for academic purposes only and shall be kept with utmost confidentiality

I appreciate any assistance rendered to the researcher.

Yours truly,

RA Keesa
Dr. Annet K. Kasimabazi

Principal



*Original copy
collected by me:-
ZAKARI UBA
22/05/2015*

"Exploring Heights"

APPENDIX VI: PROGRESS REPORT



Ggaba Road-Kansanga,
P.O. Box 20000, Kampala, Uganda.
Tel: +256-414-266813, +256-41-267634
Fax: +256-414-501974, Cel: +256-706-251084
E-mail: admin@kiu.ac.ug,
Website: www.kiu.ac.ug

27th May 2014
To whom it may concern

Dear Sir/Madam,
RE: PROGRESS REPORT FOR ZAKARI UBA PhD/35456/113/DF


I hereby certify that ZAKARI UBA holder of Registration Number PhD/35456/113/DF was admitted at Kampala International University for PhD in Business Management specializing in International Business in August 2011.

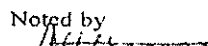
UBA has completed the two-year taught courses and has earned the following grades.

Paper Name	Grade
Theories of Management	B
Organizational Behaviour	B-
Human Resources Management	B+
Advanced Statistical Methods	B-
Advanced Research Methods	B-
Computer Applications in Research	B
Quantitative Methods for Management	A
International Trade and Finance	B+
International Law and Business	B+
Computer Information Systems	B-
Investment Decisions	B+
Cross Cultural Management	B+
International Business Economics	B
Inform. Systems Mgt and E-Business	B+
Doctoral Research Seminar	B
Entrepreneurial Management	B+
Comprehensive Exams	R

He is now a PhD candidate after passing the comprehensive Exams and currently working on his dissertation.

Thank you very much.

Yours sincerely

Sarah Dianah Kyolaba (PhD)
Graduate Research and Teaching Coordinator-CHDR

Noted by

Prof. Alhas N. Maichhi
Principal (CHDR)



APPENDIX VII: TABLE DETERMINING SAMPLE

Table for Determining Sample Size from a Given Population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size.
S is sample size.

APPENDIX VIII: TIME FRAME OF THE STUDY

The class work for the program started from September, 2011-2014

Activity	July	Aug	Sept	Oct	Nov To Dec.	Jan	Feb	Mar	Apr	May	June	July	Sept	Oct	Nov
14-Nov.															
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APPENDIX IX:
BUDGET FOR THE STUDY

Particular	Quantity	Amount
Stationery	Paper 10 Reams @\$16	\$160:00
	Ink 2 Cartridges, pens etc	\$50
Travel		\$2,500
Assistance		\$400
Research Assistants	6 @ \$100	\$ 600
Services (E.g. Secretarial, photocopying, Printing, Binding)		\$100
Miscellaneous		\$100
	Total	\$3,900

APPENDIX X: CURRICULUM VITAE

Personal Information

Name:	ZAKARI UBA
Date of Birth:	June, 30 th 1967
Gender:	Male
Place of birth:	No. 102 Zage Quarters Kano City Municipal Local Government, Kano State
Marital status	Married with seven children
Place of residence	No. 662 Na'ibawa Gabas Kumbotso Local Government
State:	Kano State, Nigeria
Nationality:	Nigerian
Specialization	Procurement, Marketing and Management
Postal Address:	PMB 3404 School of Management Studies Kano State Polytechnic P.M.B. 3404, Kano
GSM No:	+23480 39650284
E-mail Address:	hanzamina@yahoo.com
Hobbies:	Reading, Football and Philanthropy

Bankers:

1. Guaranty Trust Bank PLC

2. First Bank Nigeria PLC

Account Number: 0118255979

Account No: 2017469234

Education/Qualification

School	Certificate	Date obtained
Kampala International University	PhD International Business	(In-view)
Bayero University Kano	MBA (Marketing)	2008
Federal College of Education	PGD (Education)	2004
Bayero University Kano	PGD (Management)	2003
Kano State Polytechnic	HND Purchasing & Supply (Distinction)	1993
Kano State Polytechnic	ND Purchasing & Supply (Upper Credit)	1990
Pre-ND Marketing/Purchasing & Supply		1988
C.E.C. Kano	G.C.E. O-Levels	1987
Aminu Kano Commercial College	G.C.E O-Levels	1985
Festival Primary School	Primary Certificate	1980

Membership of Professional Bodies

- Member Chartered Institute of Purchasing & Supply Management of Nigeria
- Member Institute for Supply Management (United States of America)

Employment and responsibilities

- Presently Senior Lecturer (July 2013-date)
- Departmental Examination Officer 2001-2004
- Deputy Chief Examination Officer 1 & 11 2004-2006
- Secretary School Academic Board 2006-2007
- Chief Examination Officer 2007-2008
- Member School Academic Board 1999 – 2011
- Member Semester Review Committee May, 2008
- Chairman Election Committee for Academic Staff Representative Oct. 2009
- Head of Department Purchasing & Supply and Chairman Students'

Complaint Committee 2008-2011

- Supervisor for National Examinations Council of Nigeria (NECO) March, 2013
- Project External Supervisor National Open University of Nigeria 2013-date
- Member National Board for Technical Education (NBTE)

Resource Inspection team to Federal Polytechnic

Nekede, Owerri Imo State 8th-11th Oct. 2014

- Member National Board for Technical Education (NBTE)

Resource Inspection Team to Ramat Polytechnic 3rd-4th August 2015

- Editorial Board Member Academic Research Publishing

Group (APRG) 27th May 2015-date

- Member Academic Manuscript and Book Dev. Committee

Kano State Polytechnic, Kano.

13th July, 2015-date

- Editorial Board Member Kano Management Journal

(KAMAJ)

July, 2015-date

List of Commendations

1. Commendation as Departmental Examination Officer 2005
2. Commendation Letter Upon successful re-accreditation and
Verification of the Purchasing and Supply Department Jan. 2006
3. Certificate of Gratitude and Appreciation by Purchasing & Supply
Students Association (PASSA) Kano State Polytechnic Chapter Nov, 2007
4. Commendation from the School upon Successful Accreditation
Of Purchasing Department by the (N.B.T.E.) 2008
5. Certificate of Merit by the Kampala International University
Muslim Students Association (KIUMSA) 2013

- Business Environmental Factors and Competitiveness among Pharmaceutical Companies in Kano Metropolis Nigeria. A PhD dissertation in partial fulfillment for the award of PhD Business Management (International Business).
- An Assessment of Marketing Strategies and Performance of Manufacturing Companies in the Food and Beverages Industry in Kano Metropolis, Nigeria. Presented at the 9th National Conference organized by College of Administration and Management Studies, Hassan Usman Katsina Polytechnic, Katsina State on 6th May, 2015.
- Analysis of Competitive Bidding Procedures and its Contribution to Cost Savings among Public Establishments in Kano State, Nigeria. Presented at the 9th National Conference organized by the College of Administration and Management Science, Hassan Usman Katsina Polytechnic on 6th May, 2015.
- Investigating the use of Value Analysis and Value Engineering as Cost saving Techniques among Selected Manufacturing Companies in Kano State Nigeria published by the Kano Management Journal (KMAJ)
- Competitive Intelligence and Product Innovation in Nigerian SMEs Published by Africa Multidisciplinary Journal (AMJ) Vol. 3, Issue 5, (2016) Journal of Academic Forum Kampala International University, Kampala, Uganda. Published Online and Hard Copy (<http://www.africamjournal.com/journal/>)ISSN 2311-0802. ISSN: 978-1234-567-89-7.
- An investigation of the Factor Structure of Business Environmental factors in the Pharmaceutical Sector in Kano Metropolis, Nigeria. (Accepted for publication) by KIU Journal of Social Sciences Vol. 2(2) due for publication in September, 2016.

Names and Address of Referees:

1. Alhaji Yusuf Sule Gaya

Former Rector

Kano State Polytechnic

Mobile No: +2348037013245

2. Dr. Umar Muhammad Tarauni (PhD)

School of Management Studies

Kano State Polytechnic

Mobile No: +234 80 32236819

3. Dr. Tahir Halliru Gwarzo (PhD)

School of Management Studies

Kano State Polytechnic

Email: tahirsms@yahoo.com

Mobile No; +234 80 691 33986