

Dynamic Capabilities and Competitive Advantage of Quoted Foods and Beverages Manufacturing Firms in Nigeria

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Abstract: The study examined the effect of dynamic capabilities on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. Specifically, the study examined the effect of dynamic capabilities (sensing, seizing, reconfiguration, integrating and strategic flexibility) on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. Structured questionnaire instrument was used for primary data collection with a sample size of 383 respondents drawn from a population of 7,660. Validity index of 0.791 was reported with that of reliability at 0.925. Data were analyzed using descriptive statistical tools such as tables, charts and simple percentages, mean and standard deviation. Furthermore, multiple regressions with the aid of statistical package for social sciences (SPSS) version 26 software were used for further analysis and test of hypotheses. Findings from this study revealed that there was a positive and significant effect between dimensions of dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The study discovered that sensing capabilities contributed (10.1%), seizing capabilities (20.7%), reconfiguration capabilities (16.1%), integrating capabilities (36.8%), and strategic flexibility (12.3%). Hence, the study concluded that dynamic capabilities has a positive and significant effect on competitive advantage of firms through access and ability to obtain, combine, and deploy resources in ways that adequately respond to their operating context which constitute one route to achieving sustainable competitive advantage over rivals while operating in complex, turbulent and disruptive environment. The study recommended among others that; mobile telecommunication companies are encouraged to adopt sensing capabilities as an enabler of competitive advantage. This is because, firms that are better at sensing opportunities and threats in markets are able to know and understand changing consumer needs and preferences and consequently grow their markets by constantly scanning, searching, and exploring opportunities across technologies and markets will always have an edge over others in the industry.

Keywords: Dynamic capabilities, sensing, seizing, reconfiguration, integrating, strategic flexibility, competitive advantage.

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1.0

INTRODUCTION

1.1 Background of the Study

The global foods and beverages industry is experiencing a rapid increase in competition as a result of several factors, including changes in technology, goods and services, consumer preferences, and tastes. Due to the fact that effective management of dynamic capabilities (DCP) is essential for any organization to survive in the current, fiercely competitive, and constantly changing business environment, management of these firms has been forced to emphasize the need for establishing firms' readiness for dynamism and have developed various strategies for creating it. Because of its growing significance in explaining strategic advantages, the dynamic capabilities framework has become the new benchmark in the field of strategic management (Cordes-Berszinn, 2013). Several academics have discussed whether and how a firm's dynamic capabilities contribute to its competitive advantage (CPA), including Zhou et al. (2017), Mardani et al. (2018), and Gyemang and Emeagwali (2020). This is due to the fact that DCP empowers businesses to overcome the difficulties brought about by environmental dynamism, which would otherwise jeopardize and render the current capabilities outdated (Kaur and Mehta, 2017). Because these capabilities aid in the development of functional competences, a firm's ability to possess superior dynamic capabilities can therefore lead to the creation of a sustainable competitive advantage.

DCPs are the procedures that a company uses to adapt its resources and capabilities to the ever-changing external environment in order to gain and maintain a competitive advantage. These procedures are ingrained in the company over time. "The management of capabilities and resources of all functions of the firms, with the overall objective to get a competitive advantage" is what is meant to be included in dynamic capabilities (Arranz et al., 2020). Teece (2012) characterized dynamic capabilities as a group of abilities that include perceiving, grabbing, and altering. DCP is significant to an organization because it highlights the wealth of competencies ingrained in a company and is closely linked to its financial performance (Hsu and Wang, 2012). Over the past ten years, several scholars have verified that dynamic capacities are fundamental to strategy and the process of a company's competitive advantage, and consequently, to value creation (Teece, 2007; Helfat et al., 2009). According to Teece et al. (1997), referenced by Tempelmayr et al. (2019), dynamic capabilities are the subset of competencies and skills that enable the company to develop new goods and procedures as well as adapt to shifting market conditions. DCP have significant theoretical and practical implications. Practically speaking, the business environment is becoming more dynamic due to factors like the quickening pace of technological advancement, globalization, and the erasing of industry boundaries. Theoretically, DCP is the most important and difficult question in the strategy domain; it is even possible to think of it as the "Holy Grail" of strategic management in corporate settings (Helfat and Peteraf, 2000). Teece (2014a), in a more recent statement, reaffirmed that the DCP framework was developed with the aspirational goal of assisting academics and professionals in comprehending the bases of firm-level competitive advantage. He maintained that resource configurations produced by dynamic capabilities, rather than the capabilities themselves, are what give firms a competitive edge and enhance their performance.

Yao-Ping et al. (2019), in Taiwan, assert that the implications of dynamic theory are strengthened on a global scale when considering dynamic capabilities from the standpoint of organizational performance. According to Belitski and Khalil's (2020) study, dynamic capabilities have a direct

correlation with firm performance in the context of the information technology governance framework in the United Kingdom. According to Lee and Yoo (2019), firms that invest time and effort into refining their sensing, seizing, and transforming capabilities will find that they are more capable of innovating and developing new business models. Dynamic capabilities are said to be dependent on three clusters of activities. Prabowo et al. (2021) in Indonesia highlighted the use of dynamic capabilities as a mediator variable of small businesses in Palembang to determine sustainable competitive advantage through entrepreneurial marketing.

Ngila and Muturi (2016), asserted that in Kenya and throughout Africa, dynamic capabilities guarantee a firm's long-term profitability and strengthen its competitive advantage. According to Naguib et al. (2017), there is a strong correlation between dynamic capabilities and the sustainability of competitive advantage for pharmaceutical companies operating in Egypt. According to Mutsvanga (2021), dynamic capabilities represent the ultimate form of competitive advantage. According to Nana et al. (2021), there was a statistically significant positive impact on competitive advantage through innovation capability generated by dynamic capabilities in Ghana. Dynamic capabilities have a positive and significant impact on manufacturing firms' competitive advantage, as confirmed by Rono et al. (2021), in Kenya. According to Fatoki (2021), there is a significant impact of sensing, learning, and coordinating on the performance of hospitality firms.

Nigeria's economic weakness stems from a lack of social infrastructure, domestic economic capability, and growth potential. These factors make the adoption of DCP even more crucial, as market competition is fueled by technological advancements, sophisticated consumer behavior, globalization, the availability of a wide range of products, and stringent laws, among other factors (Nwankwere et al. 2017). According to Lin et al. (2020), the only variables that can adequately improve an enterprise's survival or sustain it into the foreseeable future are technological turbulence and its dynamic capacities of competitive intensity. These are also the only variables that could improve an enterprise's efficiency. Nzekwe (2021) contended that a firm's competitive advantage is not solely dependent on its dynamic capabilities, but rather on how skillfully its resources are arranged and positioned in relation to their competitors. According to Protogerou et al. (2012), scholars have extensively examined and recognized the significance of dynamic capabilities in bolstering competitive advantage and ensuring the sustained profitability of a company (Ismail et al., 2012; Ngila and Muturi, 2016).

Due to their widespread application in numerous industries, this study adopted sensing, seizing, reconfiguration, integrating, and strategic flexibility as dimensions of dynamic capabilities (Rehmeh and Saeed, 2015; Bogers et al., 2019; Saul and Gebauer, 2018; Jansen et al., 2015; Baden-Fuller and Teece, 2020). Sensing capabilities are the ability of an organization to recognize changes in the external environment and decide whether to adapt by developing new capabilities or by using its current capabilities. Jansen et al. (2015) seek to determine whether businesses routinely monitor and evaluate customer needs in addition to the real use of their services or goods by analyzing the detection capacity of businesses in this construct. The capacity of current businesses to seize opportunities entails gathering resources and arranging for their introduction in order to make way for the introduction of novel business solutions entails sensing capabilities.

Three scales were used to measure seizing capabilities. According to MacInerney-May (2012), these are knowledge integration, knowledge sharing, and knowledge acquisition. Reconfiguration

capability is the ability to perform tasks like redeploying and recombining resources; as a result, it improves continuous development and can be a tool for businesses to obtain new resources and capitalize on the advantages of innovation (Karim and Capron, 2016). According to Teece (2016), organizational activities that facilitate knowledge transfer, technology transfer, and technical know-how sharing within an organization are considered as integrating capabilities. The ability of an organization to react to significant changes in its external environment by allocating the resources required to do so is known as strategic flexibility. The ability of an organization to react to significant changes in its external environment by allocating the resources required to do so is known as strategic flexibility. It's a strategy that helps businesses prepare for a future they can predict and establish a strong position in this unstable and unpredictable market is refers to as strategic flexibility (Nwankwere et al., 2017).

The ability of businesses with unique resources and skills to foster the creation of economic value and provide them an advantage over competitors in a given industry is known as competitive advantage, or CPA. According to Haseeb et al. (2019), a number of variables, such as cost structure, branding, and product offering quality, the distribution network, intellectual property, and customer service, are associated with competitive advantages. The competitive advantage measures in this study are operations efficiency, market expansion, and innovation, as described by Schniederjans et al. (2014), Seyyed et al. (2017), Khalifat and Gimira (2017), and Uzoma et al. (2020). These competitive advantage metrics were selected because they allow for cost savings, provide an advantage over rivals, are more prevalent and applicable in the food and beverage industry than other metrics, and align with the study's objectives.

Competitiveness is measured by innovativeness and operational efficiency, according to Schniederjans et al. (2014) and Seyyed et al. (2017). Innovativeness (INV) has also been used to describe an organization's capacity for innovation. INV is the ability of a firm to modify, which can result in the creation of new services, products, and processes (Raj and Srivastava, 2014). According to Sommer et al. (2017), a company's willingness to market new or improved products, engage in R&D, and foster creativity, adaptability, and risk-taking within its culture is referred to as its innovativeness. Thus, a company's ability to apply ideas practically, resulting in the launch of new goods or services or enhancements to current ones, is referred to as innovativeness. Market expansion, according to Khalifat and Gimira (2017), is the act of providing goods and services to a larger segment of an already-existing market as well as a new demographic or geographic market. Market expansion is the process of bringing current products of a company into new geographic areas and focusing on new market segments within those areas (Dawes, 2018). Operational efficiency is the ability of a business to minimize unwanted events and make the most of its special resources in order to provide its clients with high-quality goods and services in a way that is more effective and efficient than that of its rivals (Adudu et al., 2020). Operational efficiency in this context refers to a business's capacity to cut expenses, make the most use of its resources, and provide clients with high-quality goods and services.

The term foods and beverages manufacturing industry (FBI) describes businesses that handle the preparation, distribution, and packaging of raw food ingredients. This covers both packaged and freshly prepared foods as well as alcoholic and non-alcoholic drinks. Moreover, the term "manufacturing firms" describes industries that involve transformation, the substitution of raw

materials, the processing and creation of new goods, as well as the addition of value to already existing goods. The finished products may be sold as such or may serve as an intermediary product for the processing of other products (Njagi, 2014). The selection of manufacturing companies attests to their strategic significance for economic expansion and advancement, as well as for increased industrialization and the broader competitive landscape.

Firms that are inventive, creative, and risk-takers by concentrating on the target markets will prosper and have an advantage over and above their competitors by carefully integrating competitive intelligence strategies in their business firms. This is especially true in the highly competitive food and beverage industry. In support of this, Ishikawa and Nakagawa (2013) found that businesses will thrive if they understand their competitors, the environment, and their own unique capabilities. This is because information access and environmental awareness are essential to a business's ability to operate and survive. According to Wilfred et al. (2014), a company is considered competitive in the real world if it can outperform its competitors in terms of economic value and is innovative, dynamic, and flexible to change. Being competitive is essential in a world that is changing quickly and is highly dynamic. It is also a major economic goal. Quoted food and beverage manufacturing companies should use an information management-oriented approach, such as competitive intelligence, to make strategic decisions based on timely, relevant, and reliable information at their disposal in order to stay competitive and maintain a competitive edge. Thus, research is being done to determine how dynamic capabilities affect the competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.

1.2 Statement of the Problem

Quoted foods and beverages manufacturing firms are significant in the Nigerian economy in terms of its contributions to GDP, employment and revenue generations, being the cornerstone and engine of the nation's development among others. Competitive advantage of these quoted foods and beverages manufacturing firms seems to be a challenge with many of them being pushed out of the market due to their inability to withstand the intense, fierce and escalating competition in the industry among other factors. The competitiveness of these quoted foods and beverages firms is no longer akin to macroeconomic factors alone, but is very much impacted by asymmetric access to information, particularly given the challenges posed by the digitalization of various business processes in the industry. With this, is it possible for these quoted foods and beverages firms to gain an edge over others in the market by integrating dynamic capabilities that develops innovative and superior products that surpasses that of competitors in the industry? These quoted foods and beverages manufacturing companies in Nigeria are constantly integrating dynamic capabilities as one of the strategies that has the potentials of gaining an edge over and above rivals in an industry that operates in a dynamic business environment. Despite the enormous benefits envisaged in integrating dynamic capabilities practices like; sensing capabilities, seizing capabilities, reconfiguration capabilities, integrating capabilities and strategic flexibility capabilities in this industry, quoted foods and beverages firms are still grappling with competitive advantage challenges most especially operational efficiency, market expansion and innovativeness. Whether or not dynamic capabilities have a significant effect on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria, and to what

extent this study seeks to investigate? Even though, previous similar studies on the effect of dynamic capabilities have been conducted in developed and developing countries outside Nigeria for instance; in Taiwan, Yao-Ping *et al.* (2019), United Kingdom by Belitski and Khalil (2020), in Indonesia, Prabowo *et al.* (2021). Relatedly, studies conducted within Nigeria are not on competitive advantage of quoted foods and beverages manufacturing firms (such as; Ogunkoya *et al.* (2014); Nwankwere, Asikhia and Adebola, (2017); Nzekwe (2021) but rather focused on organizational performance indicators other than competitive advantage, thereby creating a gap on the study of dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing companies in Nigeria. It is against this backdrop that this study is set out to determine the extent of the effect of dynamic capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.

1.3 Objectives of the Study

The main objective of the study was to determine the extent of the effect of dynamic capabilities on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The special objectives are to;

- i. determine the extent of the effect of sensing capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.
- ii. investigate the extent of the effect of seizing capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.
- iii. evaluate the extent of the effect of reconfiguration capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.
- iv. assess the extent of the effect of integrating capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.
- v. assess the extent of the effect of strategic flexibility capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.

1.4 Research Questions

This study is guided by the following research questions;

- i. To what extent is the effect of sensing capabilities on competitive advantage of quoted foods and beverages manufacturing in Nigeria?
- ii. To what extent is the effect of seizing capabilities on competitive advantage of mobile quoted foods and beverages manufacturing in Nigeria?
- iii. To what extent is the effect of reconfiguration capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria?
- iv. To what extent is the effect of integrating capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria?
- v. To what extent is the effect of strategic flexibility capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria?

1.5 Hypotheses

The following null hypotheses were formulated as follows:

H₀₁: Sensing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.

H₀₂: Seizing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.

H₀₃: Reconfiguration capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.

H₀₄: Integrating capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.

H₀₅: Strategic flexibility capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria.

1.6 Significance of the Study

This study seeks to establish the effect of effect of dynamic capabilities on competitive advantage of quoted foods and beverages manufacturing companies in Nigeria. When the study is completed, it is expected that the study will be relevant in various ways to the different stakeholders. The findings of this study will add to the existing body of knowledge that may aid the understanding of dynamic capabilities and its relevance to achieving competitive advantage in the context of quoted foods and beverages manufacturing companies operating in Nigeria. It will offer a combination of academic contributions for scholars and researchers as a reference document for future research. The gained knowledge in this study will enable management of quoted foods and beverages manufacturing companies to understand and focus on developing and incorporating dynamic capabilities that can lead their firms to attain competitive advantage. It will equally contribute to the industry by giving the overall outcome of the examination of dynamic capabilities to quoted foods and beverages manufacturing companies as well as its relationship with competitive advantage among others.

1.7 Scope of the Study

This study seeks to establish the effect of dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing companies in Nigeria. Theoretical issues in this study were limited to dynamic capabilities and competitive advantage. The study has two variables: Dynamic capabilities (explanatory variable) measured in terms of sensing capabilities, seizing capabilities, reconfiguration capabilities, integrating capabilities, and strategic flexibility capabilities; and competitive advantage (response variable) measured in terms of operational efficiency, market expansion and innovativeness. The study's scope included twelve (12) quoted foods and beverages manufacturers that are quoted and publicly traded on the Nigerian Exchange. Due to rising high inflation, exchange and interest rates, as well as the nation's economic collapse and insecurity condition, the emphasis during the study period (2013-2022) becomes crucial. Because, they are identified as the giants in terms of their share price index, prominent stakeholders and players in the Nigerian foods and beverages industry in Nigeria and are quoted on the NGX for at least, two years prior to and throughout the study period (2013 to 2022). The decision to focus on the foods and beverages manufacturing industry was made in light of its capacity and dedication to support national economic development and growth as well as its support for the national effort to increase food security in accordance with the Sustainable

Development Goals (SDGs) 2030. The decision to domicile this study on the Nigerian Exchange was based on the grounds that it is an innovation-driven market that offers a globally competitive platform for issuers to raise capital and investors to achieve their financial goals across markets and geographies while maintaining a seamless information flow. The selected quoted foods and beverages manufacturing firms on the NGX as at December, 31, 2022 consists of Cadbury Nigeria PLC, Dangote foods, International Breweries, Honeywell Flour Mill PLC, Guinness Nigeria PLC, Flour Mills PLC, Nigerian Breweries, Nestle Nigeria PLC, Unilever Nigeria PLC, UAC Foods, Northern Nigeria Flour and FTN Cocoa.

2.0 LITERATURE REVIEW

This section explores the theoretical framework, conceptual framework and review of the related empirical studies on the research topic.

2.1 Theoretical Framework

This study is fortified by the resource-based view theory. The choice of this theory among many other theories is credence to their relatedness to the study topic in explaining dynamic capabilities dimensions and competitive advantage as constructs in both explanatory and response variables respectively.

2.1.1 The Resource Based View Theory (RBVT)

Resource Based View Theory of the Firm (RBV), is one of the theories of strategic management that is frequently cited and first used by Penrose (1959). It was further developed and popularized by Wernerfelt (1984), refined by Prahalad (1990), and Barney (1991), as cited in Ofoegbu and Onuoha (2018) and Adudu *et al.* (2020). This is especially true because of its practical applicability to ever changing and modern management practices. The investigation of a firm's resources oriented towards achieving a sustained competitive edge over other competing enterprises in the industry is the main focus of the RBV. According to RBV theory, firms with valuable, uncommon, unique, and non-substitute resources have the ability to perform better and gain competitive edge over and above their rivals. The theory has both philosophical and theoretical foundations. The philosophical ideology underlying the theory contends that firms can only gain competitive edge by using all of its resources in an effective and efficient manner (Mahoney, 2001). The unique qualities of resources were highlighted in the development of the theoretical foundation for the resource-based perspective theory. According to the theory's conceptual premise, a firm cannot acquire enduring competitive advantage if its resources are easily imitated by rivals. As a result, the theory highlights how crucial a firm's resources are in achieving superior performance through a competitive edge over other industry competitors (Adudu *et al.*, 2020).

The first premise of the resource-based perspective theory postulates that all businesses within an industry may differ in terms of the pool of resources at their disposal. The second assumption is that because the stock of resources used to obtain a competitive advantage are not perfectly transferrable or transportable among rival companies, a firm's resources may persistently over time show heterogeneity. This suggests that a firm's resources are difficult to gather and replicate, and thus cannot be sold on factor markets. As a result, it is believed that the distinctiveness or originality of a firm's resources is a requirement for the stock of resources to successfully obtain competitive advantage (Ofoegbu and Onuoha, 2018). According to RBV

theory, having resources is advantageous because they are rare, difficult to duplicate, and indispensable. According to the resource-based perspective idea, businesses should search within themselves to identify the sources of their competitive advantage. The RBV analyzes the internal environment of the firm before moving on to the external business environment that firms must contend with. The RBV theory places a strong emphasis on the firm's internal resources and competencies when formulating a strategy to attain long-term competitive advantages in the market. Strategic decisions are made by businesses when they compete in their external business environment based on internal resources and capabilities.

RBV theory contends that not all of a firm's resources will be strategic and, therefore, sources of competitive advantage. An organization is more likely to obtain and maintain competitive advantage in the current era of rapid globalization if it can adapt quickly and is more aware of changes in the competitive market. The goal of every organization is to gain a long-lasting competitive edge. The RBV theory gives strategists a way to assess prospective elements that could be used to give firms a competitive edge or advantage (Ofoegbu and Onuoha, 2018). The value of theory seems to be stronger in terms of understanding creation and structuring commercial firm strategic planning. The theory can assist managers in fully comprehending the types of resources that contribute to sustained competitive advantage, using this understanding to assess the full range of resources that their company may have, and then utilizing those resources that have the potentials to produce sustained competitive advantage. The idea is pertinent to the study since it calls on telecommunications firms to accept and apply technology, as well as to develop their capabilities, skills and expertise, in order to increase their total competitive advantage (Ofoegbu and Onuoha, 2018).

Although the theory has certain advantages when it is used, there are some drawbacks as well, including the fact that alternative resource configurations can produce the same value for businesses and therefore would not provide a competitive advantage. Failing to take into account resource-related factors, or assuming that resources are just there without critically examining how important capabilities are produced or acquired. It is not always true to make the assumption that a company can succeed in a cutthroat market as long as it can take use of valuable resources (Adeleke and Aminu (2012), therefore disregarding outside variables that are relevant to the sector as a whole.

2.2 Conceptual Framework

This section presents explanations on various concepts used in this study and related literatures by different authorities on the concept of dynamic capabilities and competitive advantage in relationship with their dimensions.

2.2.1 Dynamic Capabilities

Schoemaker *et al.* (2018), define dynamic capabilities as “the ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments”. The term refers to a set of capabilities directed toward strategic change (Teece and Leih, 2016), in order to overcome the potential rigidities of organizational capability building (Teece, 2017). Dynamic capabilities are seen as a learned and stable pattern of collective activity through which the organization systematically generates and modifies its operating routines in pursuit of improved effectiveness (Peteraf *et al.* 2013). Helfat and Martin (2015), argue that dynamic capabilities are the capacity of an organization to create, extend or modify its resource base.

Harris and Helfat (2016), described them as processes or routines which may have become embedded in the firm over time and are employed to reconfigure the firm's resource base by deleting decaying resources or recombining old resources in new ways. Teece (2017) defined them as a firm's orientation to continuously integrate, reconfigure, renew, and recreate its resources capabilities and reconstruct its core capabilities in response to the changing environment to attain and sustain competitive advantage.

2.2.2 Dimensions of Dynamic Capabilities

The study adopts sensing capabilities, seizing capabilities, reconfiguration capabilities, integrating capabilities and, strategic flexibility as dimensions of dynamic capabilities as benchmarked by Kindström *et al.* (2013); Karim and Capron (2016); Rehman and Saeed (2015); Shimizu and Hitt (2004) and, Kotha *et al.* (2011). The adoption was informed on the grounds that they are relevant, popular and much suitable in the telecommunication industry than others.

i. Sensing capabilities: Sensing capabilities is an initial element of dynamic capabilities, as it is the point where a possible need or opportunity to build, extend or modify existing capabilities are identified based on changes in the internal and external business environment or if the organization can address the changes based on the current capability endowment (Capron and Mitchell, 2009). According to Barreto (2010), sensing capabilities relates to both the firm's capability to recognize changes in the external environment that could affect the organization's business and the ability to identify to what extent the organization might respond with its current capability endowment, or to what extent the development of new capabilities is necessary. Companies which are better at sensing in the market could have a better understanding of what customers want and echo their needs via marketing innovations, e.g. creating new distribution channels (Agarwal *et al.*, 2003). Sensing focuses on gathering new market knowledge and identifying opportunities through it (Pavlou and El Sawy, 2011).

ii. Seizing capabilities: Seizing capabilities refers to the ability of existing firms to capture opportunities involves resource acquisition and coordination to facilitate the introduction of new business solutions. Seizing capabilities was measured using three scales. These are knowledge acquisition, knowledge sharing and knowledge integration (MacInerney-May, 2012). Seizing capabilities is the firm's learning, reflected by the ability to create internal knowledge, to acquire external knowledge, and to assimilate internal and external knowledge through knowledge sharing that are very important for capability creation (Easterby-Smith *et al.*, 2009). The organizational response to sensed opportunities through new products, services and processes is called seizing (Teece, 2007). It encompasses the selection of the appropriate business model and investment decisions. Therefore, the focus is on managerial decisions. One main challenge relates to overcome dysfunctional decision rules (Tempelmayr *et al.*, 2018).

iii. Reconfiguration capabilities: Reconfiguration capability is the expansion of a mutual learning frame of mind which motivates components of the firm to combine the position of their wisdom and expert professionalism through team work. Reconfiguration capabilities are the organizational skill required to rebuild assets and learning in order for creativity to take place (Jantunen *et al.* 2012). According to Rashidirad and Salimian (2020), reconfiguration capability encompasses activities in which organizations engage when redeploying, adding, and

recombining. Thus, reconfiguration capability enables continuous evolution, and allows firms to obtain novel resources that help them to capture innovation benefits (Zhou et al., 2019). When markets and technologies change, organizations need to reconfigure their assets and recombine resources to sustain profitability growth (Naguib et al., 2017). Over time reconfiguration capability allows firms to escape from unfavorable path dependencies (Laaksonen and Peltoniemi, 2018).

iv. Integrating capabilities: According to Verona and Rava (2013), integrating capabilities refers to the ability to create, acquire and share knowledge to respond to opportunities and threats from the operating environment. It has been identified as one of the three classes of managerial functions i.e integration, guided learning and transformation which are relevant to dynamic capabilities. According to Rashidirad and Salimian (2020), integration capability enables firms to combine individual knowledge into the firm's operational capabilities. This dynamic capability focuses more on the efficient and effective transfer of technology/information between and among the various organisational units of a firm (Teece, 2019). Integration capability has been identified as one of the three classes of managerial functions, i.e. integration, guided learning, and reconfiguration/transformation, which are relevant to dynamic capabilities (Krittapha and Sirintorn, 2019). According to Tempelmayr *et al.* (2019), resource integration capability can help firms to connect separate organizational units because it can help ease potential contractual problems.

V. Strategic flexibility capabilities: Strategic flexibility capabilities are the ability of the firm to reallocate and reconfigure its organizational resources, processes, and strategies to deal with environmental changes. Strategic flexibility is a very important capability that provides organizations with the ability to change their levels of production promptly, to develop new products and to respond speedily to competitive threats (Shimizu and Hitt, 2004). Strategic flexibility plays a guiding role in many organizational features such as investments, enabling rapid shifts between competitive approaches, policies, encouraging learning, and structure. Decreasing structural inelasticity and creating a horizontal and flat organizational structure are important to providing desirable flexibility (Beraha, 2014).

2.2.3 Competitive advantage

The meaning of competitive advantage dates back to the beginning of the eighties in the last century, and many scholars believe that Porter is one of the first to have spoken and written on competitive matters, and his book *Competitive Strategy* published in (1985) is a major reference in this field. Competitive advantage is achieved when an organization can offer better products or services when compared with its contemporaries (Dess, Lumpkin, and Taylor, 2005), which has to do with the adoption of the right capabilities. Shafiq (2010), explain the competitive advantage as a type of competence that the organization performs in order to distinguish from other organizations, which leads to providing a new addition to customers in a way that leads to a difference from others or competing organizations in the same sector and this leads to access to excellence in these markets. Competitive advantage is vital for development and survival of a business in the market for most organizations, the Holy Grail is the successful attainment and retention of inimitable competitive advantage (Wright, 2013). Competitive advantage is a term that refers to the ability gained through attributes and relevant resources to perform at a higher

level than others in the same industry or market (Josiah, 2013). Competitive advantage shows that direct relation of costumer's desired values, companies supplied values and values supplied by the company's competitors will determine requirements and dimensions of competitive advantage. Porter (2008) reveals that competition is at the core of a company's success or failure.

2.2.4 Dimensions of Competitive Advantage

This study adopted operational efficiency and innovation as used by (Amjad *et al.*, 2013; Naidoo, 2014; Ndolo, 2015). This was informed by the fact that these dimensions are popular, common among quoted foods and beverages manufacturing firms in Nigeria as well as been the most appropriate, relevant and represents the intention of the study.

i. Operational Efficiency: Operations efficiency is the ability for organization to avoid wasting materials, energy, efforts, money, and time in doing something or in producing a desired result. In a more general sense, it is the ability to do things well, successfully, and without waste (Bestman and Chinyere, 2021). Quain (2019) viewed efficiency as once you have employees doing the right things, you can make sure they do things right. Examine all employee tasks and determine if there is a better way to get them done. For example, perhaps your order pickers spend most of their time walking through the warehouse looking for products. To give another example, your back-office personnel may be dictating to front-office salespeople how many orders they can handle. Find more efficient ways to get work done through computerization, streamlined communication channels and rearranging of the physical environment.

ii. Market expansion: Market expansion means the physical growth in size and product quantity, increase in the number of branches and customers as well as product line which also result to more number of employees of the firm (Hofstrand, 2009). Market expansion is a growth strategy that aims to make a product or service available in new markets when existing ones get saturated. Khalifat and Gimira (2017), posits that market expansion is the process of offering goods and services to a wider section of an existing market or a new demographic or geographic market. Market expansion refers to entering new markets and targeting new market segments in geographical areas that the company's current products have not entered before (Dawes, 2018).

iii. Innovation: According to Hill and Jones (2009), innovation is the skill of developing a brand-new procedure or good, which includes both process and product innovation. According to the argument that innovation gives businesses special advantages that are unmatched by rivals, innovation is a crucial component in gaining lasting competitive advantage. Schniederjans *et al.* (2014), refers to innovation as introducing completely new or notably better products or services with the intention of disrupting competitors' businesses by obsoleting the current market entries with breakthrough products or service offerings. Innovation in this study, is the ability of businesses to adopt the practical application of concepts that lead to the introduction of new goods or services or improvements in the way that goods or services are offered. Innovation is the route by which firms create inimitable assets, and so achieve sustainable competitive advantage. The underlying rationale is that encouraging firms to innovate will lead to a better economic performance, higher growth, more jobs and higher wages (Duran *et al.*, 2016).

2.2.5 Foods and Beverages Manufacturing Firms in Nigeria

The foods and beverages sector is huge, complex, and loaded with specialized equipment. Despite being one of the oldest on the globe, it is, nonetheless rife with advancements. This business is constantly looking for innovative ways to create the food people desire at the lowest feasible price, from new items to higher-volume, lower-cost production procedures. Due to reasons, including the expanding global population, technological developments, streamlined manufacturing procedures, and more effective supply chains, the foods and beverages business has seen spectacular growth. Due to the negative effects of the COVID-19 pandemic, we anticipate that these variables will support growth in the near future to medium term, but at a level that is slightly restrained. Globally, the foods and beverages business has seen recent trends including increased emphasis on corporate environmental sustainability, creative packaging, and modifications to the rules governing nutritional data. With a projected annual GDP growth rate of 4.2% from 2016 to 2050, Nigeria has the potential to be the fastest-growing economy in Africa thanks to its sizable consumer market (PwC Report, 2021). The manufacturing sector was chosen with the understanding that it has and will always be the driving force behind industrialization and economic growth. Aside from that, the manufacturing sector has been a catalyst for modernization, a source of employment, and a crucial component in the successful transformation of the majority of economies that have experienced consistent increases in their per capita income, GDP, and the contributions of their economies to the growth of businesses. The decision to focus on the foods and beverages manufacturing industry was made in light of its capacity and dedication to support national economic development and growth as well as its support for the national effort to increase food security in accordance with the Sustainable Development Goals (SDGs) 2030. In addition, the manufacturing industry has been and will continue to be the primary force behind global industrialization. Further, foods and beverages manufacturing companies work as a stimulus for industrialization and economic growth in all economies around the world, whether they are developed or developing.

2.2.6 The Nigerian Exchange

Nigeria Exchange (NGX) market is an organized and regulated financial market where stock brokers and traders can buy and sell securities, such as shares of stock, bonds and other financial instruments. The NGX market is one of Africa's top integrated market infrastructures, serving the largest economy on the continent. Companies looking to use the financial markets to fuel their business expansion can get funding through the exchange. A structured and regulated financial market, the Nigerian stock exchange market allows stock brokers and dealers to buy and sell securities including stock shares, bonds, and other financial instruments. Similar to this, NGX market offers a variety of regulated securities to its pool of domestic, regional, and foreign investors to help them meet their investment goals. The former Nigerian Stock Exchange was demutualized in March 2021, changing from a member-owned, non-profit organization to a shareholder-owned, for-profit organization called Nigerian Exchange Group Plc (www.nse.com.ng, 2021). The choice of the Nigerian exchange was based on the grounds that it is an innovation-driven market that offers a globally competitive platform for issuers to raise capital and investors to achieve their financial goals across markets and geographies while maintaining a seamless information flow.

2.2.7 Relationship between Dynamic Capabilities and Competitive Advantage

According to a study by Aguirre (2011), on Mexican firms it was concluded that dynamic capabilities and competitive advantage are likely to be essential to the survival of firms in markets characterized to be innovative and in rapid technological change. It is argued that local firms ought to stimulate their dynamic capabilities to compete in markets successfully". Hence, it will be wise to say that dynamic capabilities and competitive advantage go hand in hand, since the firms build on their capabilities to address the new environmental capabilities. But still, even after a lot of research effort has gone behind in analyzing the relationship between the two, there is still a dearth of in-depth empirical studies, which establishes a clear relationship between the two (Chukwuemeka and Onuoha, 2018). In one of the studies by Li and Liu's (2014), it was observed that dynamic capabilities had a significant positive influence on the competitive advantage, and this was driven by environmental dynamism.

2.3 Empirical Studies

Chukwuemeka and Onuoha (2018), in his study focused on the relationship between dynamic capabilities and competitive advantage of fast foods restaurants in Rivers State, Nigeria. A cross-sectional survey research design was adopted, while primary data was collected via the administration of a structured questionnaire. Three hypotheses were formulated that, the dimensions of dynamic capabilities do not significantly correlate with the competitive advantage of the firms. However, the result of the analysis disproved the null hypotheses, meaning that dynamic capabilities of the firms significantly influence their levels of competitive advantage. It was recommended that managers of the firms should encourage quick response to environmental changes, by enhancing their employees' capability to detect, monitor and respond to competition. Also, employees should be exposed to current trends, technologies and business applications in the sector to enhance their competencies which will, in turn, improve the competitive advantage of the firm.

Nwankwere et al. (2021), evaluated the relationship between dynamic capabilities and firm Performance of selected quoted foods and beverages manufacturing companies in Lagos State, Nigeria. The study adopted a survey research design. The population was 692 middle and top level managers of the quoted firms. Total enumeration method was adopted. A questionnaire was adapted and validated for the study. The Cronbach's Alpha coefficients for the constructs ranged between 0.81 and 0.96. The response rate was 92.9% out of 692 copies of the questionnaire administered. The data were analyzed using descriptive and inferential (Pearson Product Moment correlation) statistics. Findings revealed that there is a significant relationship between product innovation capability and sales growth ($r = 0.790$; $p < 0.05$) and a significant relationship exist between strategic flexibility and competitive advantage ($r = 0.769$; $p < 0.05$). The study concluded that dynamic capabilities had a strong positive relationship with the performance of the food and beverages manufacturing companies in Lagos State, Nigeria. The adoption of dynamic capabilities is critical for the manufacturing companies. It sustains and enables them survive and grow consistently in the midst of intense competition. The study recommended that manufacturing firms need to monitor closely the level of competition in their industry in order to maintain their market share. For firms to consistently sustain their competitive advantage, they need to adopt the identified components of dynamic capabilities.

Zhou et al. (2021), examined the impact of dynamic capacities on the performance of food and beverage enterprises in Lagos, Nigeria. The following sub-variables (strategic decision-making capacity, product innovation capacity, strategic flexibility, competitive intensity, technological turbulence, and technological capability) were employed to represent the variable of dynamic capacity. Also, the following sub-variables (sales growth, enterprise survival, enterprise efficiency, and competitive advantage) were employed to represent the variable of enterprise performance. Primary data was used to achieve descriptive and inferential statistics, and the statistics is estimated by the PLS-SEM method which was calibrated on Lisrel 8.70 software. This study found that product innovation, competitive intensity and technological turbulence, technological capability and competitive intensity, and strategic flexibility are critical sub-variables in determining the robustness of dynamic capacities, as they adequately improve increasing sales growth, survival, and sustenance of enterprise into the unforeseeable future, efficiency of enterprise, and competitive advantage of food and beverage manufacturing enterprises, respectively, particularly in this trying period that is evidenced with technological change and competition, among others.

Andrew and Onuoha (2021), examined the relationship between dynamic capability and organizational effectiveness of food and beverages firms in Rivers state, Nigeria. The cross-sectional survey was adopted and a population of one hundred and eight (108) managers and supervisors from 12 manufacturing firms were covered. A census study was carried out and out of the total 108 copies of questionnaires issue, only 102 were retrieved and utilized. The data was analysed using the Pearson product moment correlation in order to ascertain the relationship between the dimensions of dynamic capability (organizational learning capability and resource utilization capability) and the measures of organizational effectiveness (adaptability and productivity). The result revealed that there is a significant and positive relationship between dynamic capability and organizational effectiveness. It was thus concluded that enhancing the dynamic capability of organizations will boost the adaptability and productivity of the organization. The study recommended among others that the management of food and beverages firms should renew its competences and enhance its innovation as such will help boost their adaptability.

Abou et al. (2023), examined how dynamic capabilities influence the operational performance of hotel food supply chains through the mediating role of supply chain resilience and the moderating influences of environmental uncertainty and disruption orientation. The model is tested using survey data from 160 five- and four-star hotel managers in Egypt and the findings of structural equation modeling. The findings support the proposed model and reveal a positive effect of total dynamic capabilities and the four dynamic capabilities (i.e., collaboration, integration, agility, and reconfiguration) on the operational performance of hotel food supply chains through the mediating role of supply chain resilience. The results affirm that supply chain resilience mediates the relationship between dynamic capabilities (in total) and operational performance. Furthermore, the results show that environmental uncertainty moderates the above linkage, whereas disruption orientation does not do that. With the extension of DCV, our findings contribute to deepening our understanding of the dynamic capabilities contributing to the development of hotel food supply chain performance. These findings hold crucial implications for

academics, managers, and policymakers. They also provide valuable insights on how to effectively control operational performance during disruptions.

3.0 METHODOLOGY

Cross-sectional design was adopted in this study. The preference of cross-sectional design was informed on the grounds that it offers a clear snapshot of the outcome and the factors connected to it at a particular time. The study area is called Nigeria with much emphasis on foods and beverages that are quoted on the Nigerian exchange. The choice of the Nigerian exchange became eminent because it is an innovation-driven market that offers a globally competitive platform for issuers to raise capital and investors to achieve their financial goals across markets and geographies while maintaining a seamless information flow. The target population for this study included employees from each of the Twelve (12) selected quoted foods and beverages manufacturing firms that are quoted on the Nigerian exchange as at December, 31, 2022. However, the accessible population was 7,660 employees which composed of the managerial cadre, sales representatives and operational staff of the twelve (12) quoted foods and beverages manufacturing firms in Nigeria which was supplied by the Directors of Human Resources of these firms. Yamene's (1967) formula was applied to scientifically generate a sample size 383 from the population of 7,660 management and permanent employees of the studied firms, which was chosen from among the quoted foods and beverages manufacturing firms in Nigeria because it is typically impossible for the researcher to reach the entire population. Simple random sampling was applied to ensure that all elements of the population shall have equal chances of being selected. The choice of items is totally based on chance or luck; for this reason, this sampling methodology is also occasionally referred to as a system of chances. The study used questionnaire to collect data and was preferred above other approaches because it can be a useful way to measure the behaviour, attitudes, preferences, views, and intentions of a sizable number of individuals more quickly and affordably as opposed to secondary data. The fundamental components of dynamic capabilities and competitive advantage was found using the Principal Component Analysis approach. The goal of principal component analysis is to provide a manageable and relatively rich set of factors that captures as much detail as possible in the variables that have been observed (Korkmaz, Akr and Ugur-Erdogmus, 2020). To evaluate the instrument's construct validity, factor analysis was utilized. Table 5's results shows that KMO = 0.791, which is over the threshold of 0.05, and that the Bartlett Test of Sphericity results, which are likewise highly significant at $\chi^2 = 1292.253$; $df = 28$ ($P = 0.000 \leq 0.05$), indicating that the data set is appropriate, suitable, and outstanding for the study. As a result, the recovered variance satisfies the criteria for the exploratory factor analysis testing shown below and reliability index of 0.925.

Table 5: Kaiser-Meyer Olkin (KMO) and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.791
Approx. Chi-Square		1292.253
Bartlett's Test of Sphericity	Df	28
	Sig.	.000

Source: Computation from SPSS Version 26 Output (2024)

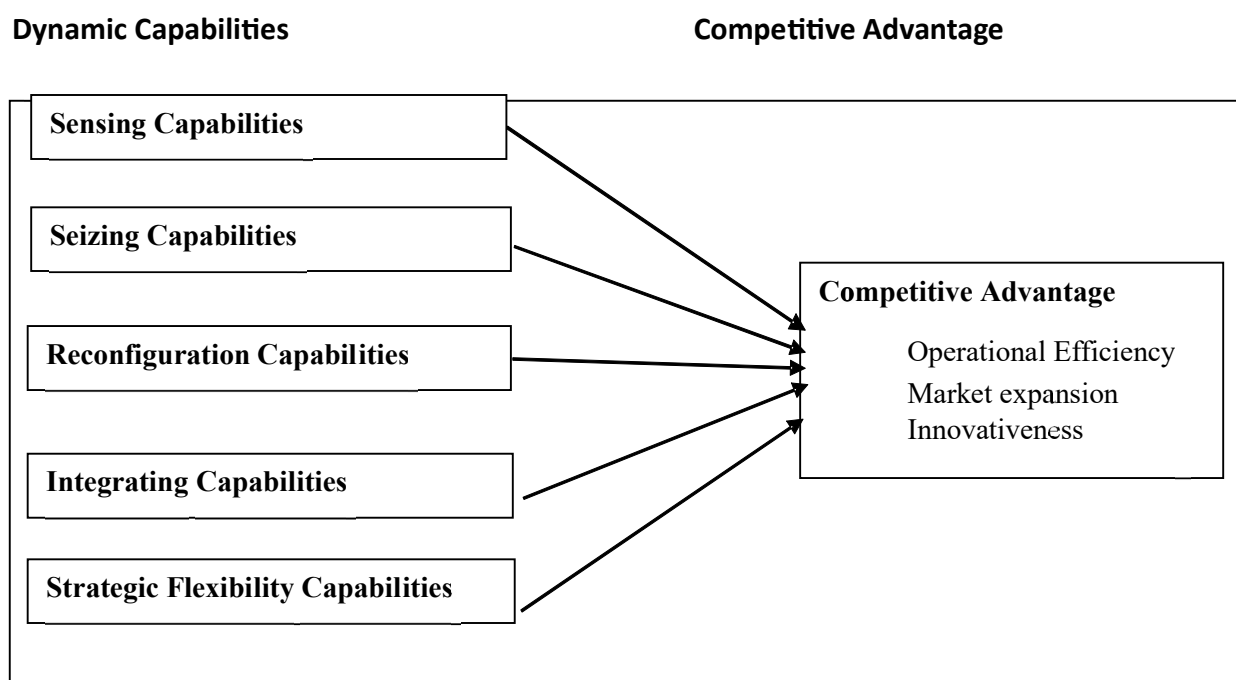


Figure:1 The Researcher's Conceptual Model 2024.

The explanatory variable (Dynamic capabilities) and the response variable (Competitive advantage) formed the foundation of the study. The study's hypotheses served as the foundation for the model definition used in this investigation. First, Multiple Regression Analysis is used to assess the impact of competitive advantage on a sample of quoted foods and beverages manufacturing companies in Nigeria. The following are the details of the statistical model and implicit form of the regression formula:

$$CPA = f(CPA_{\dots\dots\dots}) \quad (i)$$

$$\text{CPA} = f(\text{SSC}, \text{SEC}, \text{RCC}, \text{ITC}, \text{STF}) \dots\dots\dots (\text{ii})$$

Where:

SSC = Sensing Capabilities

SEC = Seizing Capabilities

RCC = Reconfiguration Capabilities

ITC = Integrating Capabilities

STF = Strategic Flexibility Capabilities

The explicit form of the model for this study will be as follows:

$$CPA = b_0 + b_1 (SSC) + b_2 (SEC) + b_3 (RCC) + b_4 (ITC) + b_5 (STF) + \varepsilon \dots\dots\dots (iii)$$

Where;

α = Intercept of the Model (constant)

b_1 to b_5 = Parameters of X_1 X_5 respectively

ε = error term

The data gathered for this research work were examined, using both descriptive and inferential statistics. The hypotheses formulated for this study were tested using student t-statistics generated from the regression model. The level of significance for the study is 5%, for a two-tailed test. The decision rule was that we accept the null hypothesis if the critical/t-value (± 1.96) is greater than the calculated value, otherwise, we reject the null hypothesis. That is, using the student t-test (t-statistic), we say that a variable is statistically significant if t^* (t-calculated) is greater than the tabulated value of ± 1.96 under 95% (or 5%) confidence levels and it was statistically insignificant if the t^* is less than the tabulated value of ± 1.96 under 95 % (or 5%) confidence levels. Thus; for accepting or rejecting hypotheses in this study: if the p-value (sig.) is greater than 0.05 ($P > 0.05$) we accept the null hypothesis (H_0). However, if the p-value (sig.) is less than 0.05 ($p < 0.05$) we reject the null hypotheses (H_0) and accept the alternative hypothesis (H_a) at 0.5 percent statistical significant level.

4.0 RESULTS AND DISCUSSION

This section presents the results of data collected from the respondents. It is specifically discussed under data presentation and analysis, test of hypotheses and discussion of findings.

4.1 Data Presentation and Analysis

The response rate, demographic characteristics of respondents and descriptive statistics of research questions and inferential statistics are presented in this section. The sample size of 383, though 421 (10% buffer margin of the sample size of 383 was added to the original sample) to provide a non-response bias. Over-sampling here accounted for unreturned copies of the questionnaire and uncooperative subjects so as to ensure that minimum sample size of 383 is attained in analysable form, recording a 100.0 % return rate.

4.1.5 Regression Result

The study investigated the extent to which the predictor variables explained variation in competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. Additionally, the study established model significance by conducting an ANOVA test to find out whether the model was suitable for further statistical analysis. This was done by computing F statistics and its corresponding P-values. The study used the criteria for comparing the P-values of F statistics with a significance value of 0.05. If the P-value of F statistics was less than 0.05, the study concluded the model is significant and can be used for further statistical analyses and vice versa. This was followed by the computation of coefficients of predictor variables. Multiple regression analysis was conducted at a 95 % confidence level ($\alpha = 0.05$) with competitive

advantage as the dependent variable and sensing capabilities, seizing capabilities, reconfiguration capabilities, integrating capabilities and strategic flexibility capabilities as the independent variables as shown table 1 below.

Table 1: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.923	.773	.764	.756	1.684

- Predictors: (Constant), Strategic Flexibility Capabilities, Sensing Capabilities, Integrating Capabilities, Seizing Capabilities, Reconfiguration Capabilities
- Dependent Variable: Competitive Advantage

Source: Researcher's Computation from SPSS Output, 2024

The result in Table 1 shows the regression model summary. The model fitted had an R Square = 0.773 which shows that dynamic capabilities (sensing capabilities, seizing capabilities, reconfiguration capabilities, integrating capabilities and strategic flexibility capabilities) explained 77.3% of the variation in competitive advantage. The remaining 22.7% was explained by other variables other than the ones in the model. The result implies that dynamic capabilities are significant predictor variables of competitive advantage. Also, the value of R= 0.923 indicates that there is a strong positive correlation between the variables of the study.

Table 2: Analysis of Variance (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	81.845	5	16.369	28.622	.000
Residual	217.895	381	.572		
Total	299.742	386			

- Dependent Variable: Competitive Advantage
- Predictors: (Constant), Strategic Flexibility Capabilities, Sensing Capabilities, Integrating Capabilities, Seizing Capabilities, Reconfiguration Capabilities

Source: Researcher's Computation from SPSS Output, 2024.

The Analysis of Variance (ANOVA) results in Table 2 shows that F (5, 381) = 28.622 (which is greater than the critical F value of 2.42) and p-value < 0.001 (which was less than 0.05.) The study, therefore, failed to reject the null hypothesis that the model fitted had the goodness of fit. These results found that dynamic capabilities significantly explained the competitive advantage of quoted foods and beverages manufacturing firms in Nigeria and the model was statistically significant and adequate to predict competitive advantage.

Table 3: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.488	.334		1.460	.145
Sensing Cap.	.101	.053	.010	.008	.001
Seizing Cap.	.207	.045	.225	4.577	.012
Reconfiguration Cap.	.161	.060	.135	2.698	.007
Integrating Cap.	.368	.057	.307	6.514	.021
Strategic Flex. Cap.	.123	.053	.104	2.325	.000

a. Dependent Variable: Competitive Advantage

Source: Researcher's Computation from SPSS Output, 2026.

Table 3 shows the result of regression coefficient. The Beta coefficients showed that the five of the independent variables had a significant effect on the dependent variable. Sensing capabilities had $\beta = 0.00$, $P = 0.001$); Seizing capabilities $\beta = 0.225$, $P = 0.000$; Reconfiguration capabilities had $\beta 0.135$, $P = 0.007$; integrating capabilities $\beta = 0.307$ $P=0.000$) and strategic flexibility capabilities had $\beta 0.104$, $P = 0.021$. These results show that if all the variables (sensing capabilities, seizing capabilities, reconfiguration capabilities, integrating capabilities and strategic flexibility capabilities) are held constant, the competitive advantage of quoted foods and beverages manufacturing firms in Nigeria would be 0.488. The results also show that if all the other factors were held constant a unit increase in sensing capabilities would increase competitive advantage by 0.010 units. Similarly, a unit increase in seizing capabilities holding other factors constant would increase competitive advantage by 0.225 units. Also, a unit increase in reconfiguration capabilities holding other factors constant would increase competitive advantage by 0.135 units or 13.5 percent while a unit increase in one percent of integrating capabilities would increase competitive advantage by 0.307 units and a unit increase in strategic flexibility capabilities would increase competitive advantage by 0.104 units. Based on the magnitude of each variable, in predicting competitive advantage, the study found that integrating capabilities had the highest influence. Based on the results of the regression analysis the regression model was estimated in the equation below as follows:

4.2 Test of Hypotheses

The study used a multiple linear regression model to test the effect of dynamic capabilities on the competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The study tested five hypotheses, which sought to test the direct effect of sensing capabilities, seizing capabilities, reconfiguration capabilities, integrating capabilities and strategic flexibility capabilities on the competitive advantage of quoted foods and beverages manufacturing firms in Nigeria.

H₀₁: Sensing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The study sought to test the null hypothesis that sensing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The decision criteria were to accept H₀₁ if $\beta_1 = 0$ and $P > 0.05$. The results of multiple regression in Table 14, showed that sensing capabilities had $\beta_1 = 0.010$, $p\text{-value} = 0.001$. Since p was greater than the significant level of 0.05, the study accepted H₀₁ implying that sensing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria.

H₀₂: Seizing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The study sought to test the null hypothesis that seizing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The decision criteria were to accept H₀₁ if $\beta_2 = 0$ and $P > 0.05$. The results of multiple regression in Table 14, showed that seizing capabilities had $\beta_2 = 0.225$, $p\text{-value} = 0.000$. Since $\beta_2 \neq 0$ and p were less than the significant level of 0.05, the study rejected H₀₂ implying that seizing capabilities have significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria.

H₀₃: Reconfiguration capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. Hypothesis Three (H₀₃) stated that reconfiguration capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The critical value of t-statistics is ± 1.96 at 95% and the result shows that $\beta_3 = 0.135$, $p = .007 < .05$, indicating that a positive and significant effect of reconfiguration capabilities on competitive advantage. Therefore, the null hypothesis (H₀₃) was rejected and we conclude that reconfiguration capabilities have significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria.

H₀₄: Integrating capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. To test Hypothesis Four (H₀₄), the study sought to test the null hypothesis that integrating capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The decision criteria were to accept H₀₁ if $\beta_4 = 0$ and $P > 0.05$. The results of multiple regression in Table 14, showed that integrating capabilities had $\beta_4 = 0.307$, $p\text{-value} = 0.000$. Since $\beta_2 \neq 0$ and p were less than the significant level of 0.05, the study rejected H₀₄ implying that integrating capabilities have significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria.

H₀₅: Strategic flexibility capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. For test of Hypothesis Five (H₀₅), the study sought to test the null hypothesis that strategic flexibility capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The decision criteria were to accept H₀₁ if $\beta_5 = 0$ and $P > 0.05$. The results of multiple regression in Table 14, showed that strategic flexibility capabilities had $\beta_5 = 0.104$, $p\text{-value} = 0.021$. Since $\beta_2 \neq 0$ and p were less than the significant level of 0.05, the study rejected H₀₅ implying that strategic

flexibility capabilities have significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria.

4.3 Discussion of Findings

The discussion of this study is tailored towards the research questions that were earlier stated in chapter one of this study. The research questions were answered by research objectives. Findings were basically based on the objectives of this study as follows;

The study sought to test the null hypothesis that sensing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The decision criteria were to accept H_{01} if $\beta_1 = 0$ and $P > 0.05$. The results of multiple regression in Table 14, showed that sensing capabilities had $\beta_1 = 0.010$, $p\text{-value} = 0.994$. Since ($p \geq 0.05$) was greater than the significant level of 0.05, the study accepted H_{01} implying that sensing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The result of hypothesis one further contravenes that of Chiarelli (2021) who established that sensing capability is a significant determinant of firm performance. Similarly, Yohanes *et al.* (2021) in Indonesia discovered that sensing capabilities have a positive and significant effect on firm performance. In Nigeria, Azikiwe (2021) concluded that superior firm performance begins with identification of opportunities in the market environment through sensing capabilities. This imply that, firms that are better at sensing opportunities and threats in the market are able to know and understand changing consumer needs and preferences and consequently grow their markets. Therefore, it is important for firms to constantly scan, search, and explore opportunities across technologies and markets so as to gain an edge over and above rivals.

The study sought to test the null hypothesis that seizing capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The decision criteria were to accept H_{01} if $\beta_2 = 0$ and $P > 0.05$. The results of multiple regression in Table 14, showed that seizing capabilities had $\beta_2 = 0.225$, $p\text{-value} = 0.000$. Since $\beta_2 \neq 0$ and p were less than the significant level of 0.05, the study rejected H_{02} implying that seizing capabilities have significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The result is consistent with Morgan *et al.* (2021), whose results showed that seizing capabilities of family business have a significant positive effect on survival and growth. The study concluded that business managers should effectively deploy sensing and seizing, learning and reconfiguration and succession planning capabilities to enhance business survival and growth. The result is similar with the position of Popadiuk *et al.* (2018) that opportunity seizing capabilities enables a firm to refine and improve products, knowledge, and traditional markets; that is observed through internal movements that results in economies of scale and efficient orchestration of resources is validated by the results of this study which has shown that dynamic marketing capabilities strongly predict adaptability of firms.

Hypothesis Three (H_{03}) stated that reconfiguration capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The critical value of t-statistics is ± 1.96 at 95% and the result shows that $\beta_3 = 0.135$, $p = .007 < .05$, indicating

that a positive and significant effect of reconfiguration capabilities on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The result of this study is affirmed that of Vo-Thai *et al.* (2021), whose a result, discovered that internal endowment and external dynamism positively impact a firm's capability reconfiguration and post-reconfiguration performance consequently. The result further corresponds that of Mutsembi (2019), who discovered that reconfiguration capabilities were found to reduce the firm performance in the short term, due to the associated costs of asset realignment and business model redesign and restructuring. For instance, reconfigurations may lead to lower transaction costs, resulting in more benefits being derived. Similarly, the reconfiguration capability increases the firm's productivity, pace, and efficiency in adjusting to the environment (Zhou *et al.*, 2019). Naguib *et al.* (2017) study supported the notion that there is a significant relationship between the reconfiguration capability and the sustainability of competitive advantage in Egypt. In Nigeria, Okocha and Amah (2021) found out that reconfiguration capabilities of family business positively affect their growth. This imply that reconfiguration capabilities strategic option enables an enterprise to shape their existing functional competencies when the opportunity arises.

To test Hypothesis Four (H_{04}), the study sought to test the null hypothesis that integrating capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The decision criteria were to accept H_{01} if $\beta_4 = 0$ and $P > 0.05$. The results of multiple regression in Table 14, showed that integrating capabilities had $\beta_4 = 0.307$, $p\text{-value} = 0.000$ Since $\beta_2 \neq 0$ and p were less than the significant level of 0.05, the study rejected H_{04} implying that integrating capabilities have significant effect on competitive advantage of telecommunication companies in Nigeria. The result of the fourth hypothesis is tandem with Obuba and Omoankhanlen (2022), the result of the bivariate analysis revealed that integration capability had a significant positive relationship with the measures of organizational competitiveness. The findings led to the conclusion that integration competence is important in improving the competitiveness of manufacturing enterprises in Nigeria. The result of the current study is in disagreement with Zhou *et al.* (2017), whose findings indicated that integrating capabilities had no significant impact on the performance and gave reasons for being static, hence encouraging efficiency and standardization of business process which is less likely to affect innovation activities. Teece (2018), concluded that firm growth is witnessed when firms integrate relevant customer knowledge from multiple business units to gain new customer insights. This imply that integration capabilities open pathways to learning and sharing of expertise through transfer of technology and know-how within a firm so as to enhance competitive advantage.

For test of Hypothesis Five (H_{05}), the study sought to test the null hypothesis that strategic flexibility capabilities have no significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The decision criteria were to accept H_{01} if $\beta_5 = 0$ and $P > 0.05$. The results of multiple regression in Table 14, showed that strategic flexibility capabilities had $\beta_5 = 0.104$, $p\text{-value} = 0.021$ Since $\beta_2 \neq 0$ and p were less than the significant level of 0.05, the study rejected H_{05} implying that strategic flexibility capabilities have significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The result of the test of hypothesis five is in conformity with Nwankwere, Ashikhia and Adebola (2017), whose findings revealed that there is a significant relationship between strategic flexibility and

competitive advantage. The result corroborated that of Raheleh and Yousef, (2018), whose results showed that strategic flexibility does positively and substantially impact organizational innovation. Yudi *et al.* (2020), also confirmed in their findings that strategic flexibility capabilities have an important role in maintaining a business in the future, especially in facing business decline due to the impact of the COVID-19 pandemic on firms as well as its mediating influence in a dynamic environment and has the potentials to improve firm performance. The findings of this current study synchronize that of Lin *et al.* (2020), dynamic capacity of strategic flexibility is the only variable that could sufficiently enhance competitive advantage of enterprise over other enterprises. The result is similar with that of Ghorban-Bakhsh and Gholipour-Kanani (2018), whose result of the research shows that resource flexibility has a positive relationship with product innovation but is completely dependent on the company's performance and it depends on the company's strategic flexibility.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

This section presents the summary of the study, draws conclusions based on major findings and makes the necessary recommendations as well as suggestions for further studies. It also contains the contributions this study has made to knowledge.

5.1 Summary of Major Findings

This study explored the effect of dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. The study sought to determine the effect of dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing firms in Nigeria.

The findings revealed that:

- i. Sensing capabilities have a positive and significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria (P- value $0.032 \leq 0.05$).
- ii. Seizing capabilities have a positive and significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria (P- value $0.000 \leq 0.05$).
- iii. Reconfiguration capabilities have a positive and significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria (P-value $0.007 \leq 0.05$).
- iv. Integrating capabilities have a positive and significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria (P-value $0.000 \leq 0.05$).
- v. Strategic flexibility capabilities have a positive and significant effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria (P-value $0.021 \leq 0.05$).

5.2 Conclusion

Based on the findings of the empirical analysis and the ensuing discussions, this study concludes that a firm's competitive advantage is strongly predicted by its dynamic capabilities, and that a firm's ability to achieve a competitive advantage largely depends on its dynamic capabilities, as demonstrated by its capacity to recognize and assess changing market opportunities, seize those opportunities, and seamlessly combine tangible and intangible resources to outperform competitors in a given industry. The results led to the conclusion that the competitive advantage of the mentioned Nigerian foods and beverages manufacturing companies is positively and significantly impacted by their sensing capabilities. The ability to seize opportunities significantly

and favorably impacts the competitive advantage of Nigerian companies that manufacture foodstuffs and beverages. Reconfiguration capabilities significantly and favorably impact the competitive advantage of Nigerian companies that manufacture foods and beverages. The ability to integrate has a positive and significant impact on the competitive advantage of Nigerian companies that manufacture foods and beverages. The ability to adapt strategically has a favorable and noteworthy impact on the competitive advantage of Nigerian companies that manufacture food and beverages.

5.3 Recommendations

Arising from the findings and conclusion drawn, the following recommendations are made to help improve the situation of quoted foods and beverages manufacturing firms in Nigeria.

- i. Manufacturers of quoted foods and beverages are urged to use sensing capabilities to gain a competitive edge. This is due to the fact that companies who are more adept at identifying opportunities and threats in the market are able to comprehend how consumer needs and preferences are changing, which allows them to expand their markets. In order to gain an advantage over competitors in the industry, these companies continuously scan, search, and explore opportunities across markets and technologies.
- ii. Quoted foods and beverages manufacturing companies should seize business opportunities to transform their assets and expand their markets. They should also effectively deploy their capacity to seize opportunities to improve their innovativeness, operational efficiency, and competitive advantage.
- iii. Reconfiguration capabilities should be adopted by quoted food and beverage manufacturing companies as a strategic option to revitalize core competencies and create new value propositions within their businesses. In order to gain an advantage over competitors in the industry, this will allow an enterprise to shape its current functional competencies, which will lead to innovativeness, market expansion, and operational efficiency.
- iv. According to the quoted foods and beverage manufacturing companies, integrating capabilities can help them generate, gather, and share knowledge to respond to opportunities and threats from the operating environment. This can help them expand their businesses and become more innovative by integrating relevant pathways that give them an advantage over competitors in the industry.
- v. Quoted foods and beverages manufacturing companies will be encouraged to respond to changes in the business environment and allocate the resources required to address these changes by embracing strategic flexibility. This will assist in moderating the impact in a dynamic environment that offers the potential for business growth, innovation, and operational efficiency to give them an advantage over competitors in the sector.

5.4 Limitations of the Study

There is no research without its inherent limitations, thus this research is not an exception. This study relied on the responses of the participants from the quoted foods and beverages manufacturing firms under study, which may be affected by perceptual biases in answering the questionnaire. Though this development is common with many research studies, it is very possible that the data collected on quoted foods and beverages manufacturing firms may reflect some degree of confidence of the respondents who might have their own perception biases and cognitive shortcomings in assessing the true performance of their companies. The researcher

tried to advise the respondents to be fair and objective in their responses as much as possible. The findings were influenced by inherent problems with the use of primary data such as negative attitude of the respondents which culminated in poor response rate from respondents and loss of questionnaires. However, the research was able to overcome these challenges by printing and issuing the questionnaires above the determined sample size for the study. Another notable challenge of the study was the questionnaire administration in terms of distribution and retrieval. The process of distribution and retrieval of questionnaires was not easy due to the study area. However, this challenge was overcome by employing research assistants to help distribute and retrieve questionnaires accordingly. To make this study a very viable one, some vital information were requested from firms' employees which the management were not willing to release since they consider such information as being sensitive. However, the researcher through his persuasive ability was able to get some vital information needed for the study.

A noticeable limitation is the descriptive, contextual, and exploratory nature of the research design. The descriptive, contextual, and exploratory study design does not have the capacity to explore longitudinal relationships between variables; that is establishing the causal effect of the variables. Therefore, this limitation can be handled by exploring the effect using a longitudinal research design so as to study the measure over a period of time. The researcher has the limitation of scarce research materials. This limitation is solved by subscribing for materials online from advanced countries like USA, United Kingdom, Germany among others and also searching the internet for related journals and other resource materials. The questionnaire research instrument has the limitation that its structured nature compelled the respondents to give answers that they do not fully endorse and are predetermined. The limitation is minimized by using secondary information from previous researchers in textbooks, journals and online materials. Finally, time, funds and logistics posed a serious threat to the intensity of the spread or the area of coverage of the study.

Undoubtedly, research of this nature and magnitude requires enormous funds and time which was not easy to come by. Some valuable information may not have been collected because the resources were not at the disposal of the researcher even though foods and beverages manufacturing companies are spread across the length and breadth of the Nigerian exchange, the study was a deliberate attempt to reduce this challenge by carefully economizing the available resources. However, regardless of all these limitations, this study provided a worthwhile evaluation of the effect of dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. This study is no doubt one of the very few of its kind in the study area and, findings indicated some level of positive and significant effect on the construct studied. It therefore, provides a good base for appraising dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing firms in Nigeria studied. The area covered was sufficient to provide the relevant background for optimizing future decisions on this important issue and draw valid conclusions.

5.5 Suggested Areas for Further Studies

Even though this study provides insight into the effect of dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing firms in Nigeria, there are other areas that are unclear and required to be addressed by future research. The effect of dynamic

capabilities and competitive advantage of unquoted foods and beverages companies in Nigeria needs attention in order to see how the adoption and practice of dynamic capabilities will enhance competitive advantage in their firms. Further, it is possible to extend the scope of the study to cover a larger geographical area other than the Nigerian exchange as this would ensure the generalizability of the research conclusions. The current study was undertaken in Nigeria; the study can be replicated in other developing countries. This will also give ample opportunity for the researchers to compare the findings and see whether effect of dynamic capabilities and competitive advantage is statistically different across countries or not.

Finally, future empirical research studies could use moderation-mediation models to present a more complete picture of the effect of dynamic capabilities and competitive advantage. Other dimensions of dynamic capabilities could be used in future studies to enable a nuanced understanding of the phenomenon of dynamic capabilities and competitive advantage. However, regardless of all these limitations, this study provided a worthwhile evaluation of the effect of dynamic capabilities and competitive advantage of quoted foods and beverages manufacturing firms in Nigeria. This study is no doubt one of the very few of its kind in the study area and, findings indicated some level of positive significant effect on the construct studied. It therefore, provides a good base for appraising dynamic capabilities and competitive advantage from the firms studied. The area covered was sufficient to provide the relevant background for optimizing future decisions on this important issue and draw valid conclusions.

5.6 Contribution to Knowledge

Findings from this study revealed that integrating capabilities as a dimension of dynamic capabilities with P-value of .021 has the greatest effect on competitive advantage of quoted foods and beverages manufacturing firms in Nigeria as against seizing capabilities, reconfiguration capabilities, and strategic flexibility capabilities with P-values of .011, .007, .000 and .000 respectively.

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