MANAGEMENT INNOVATION AND ITS EFFECT ON ORGANISATIONAL COMPETITIVENESS: A STUDY OF DUFIL PRIMA PLC

OKEOWO, JOHNSON OLUWANIYI (20PAB02202)

JULY, 2022

MANAGEMENT INNOVATION AND ITS EFFECT ON ORGANISATIONAL COMPETITIVENESS: A STUDY OF DUFIL PRIMA PLC

BY

OKEOWO, JOHNSON OLUWANIYI (20PAB02202) B.Sc Business Administration, Landmark University, Omu-Aran

A DISSERTATION SUBMITTED TO THE SCHOOL OF POST GRADUATE STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTERS OF BUSINESS ADMINISTRATION (MBA) DEGREE IN BUSINESS ADMINISTRATION IN THE DEPARTMENT OF BUSINESS MANAGEMENT, COLLEGE OF MANAGEMENT AND SOCIAL SCIENCE, COVENANT UNIVERSITY.

ACCEPTANCE

This is to attest that this dissertation is accepted in partial fulfillment of the requirements for the award of a Master's degree (MBA) in Business Administration in the department of Business Management, College of Management and Social Sciences, Covenant University

Mr. Taiwo B. Erewunmi (Secretary, School of Postgraduate Studies)

Signature and Date

Prof. Akan B. Williams (Dean, School of Postgraduate Studies)

Signature and Date

DECLARATION

I, OKEOWO JOHNSON OLUWANIYI (20PAB02202) declare that this research titled MANAGEMENT INNOVATION AND ITS EFFECT ON ORGANISATIONAL COMPETITIVENESS: A STUDY OF DUFIL PRIMA PLC, was carried out by me u under the supervision of Dr. Omotayo A. Adegbuyi, of the Department of Business Management, College of Management and Social Sciences, Covenant University, Ota, Nigeria. I attest that this dissertation has not been presented either wholly or partially for the award of any degree elsewhere. All sources of data and scholarly information used in this thesis are duly acknowledged.

OKEOWO JOHNSON OLUWANIYI

Signature and Date

CERTIFICATION

This is to certify that this research work titled MANAGEMENT INNOVATION AND ITS EFFECT ON ORGANISATIONAL COMPETITIVENESS: A STUDY OF DUFIL PRIMA PLC, was undertaken by OKEOWO JOHNSON OLUWANIYI WITH MATRICULATION NUMBER 20PAB02202 under the supervision of Dr. Omotayo A. Adegbuyi and submitted to the Department of Business Management of the College of Management and Social Sciences, Covenant University, Ota.

Dr. Omotayo A. Adegbuyi (Supervisor)

Prof. Anthonia A. Adeniji (Head of Department)

Signature and Date

Signature and Date

Prof. Olalekan U. Asikhia (External Examiner)

Signature and Date

Prof. Akan B. Williams (Dean, School of Postgraduate Studies)

Signature and Date

DEDICATION

I dedicate this dissertation to the Almighty God, the creator and the source of all things and also to my amazing Uncle (Otunba Collins Adewunmi), family and loved ones.

ACKNOWLEDGEMENTS

To begin, I thank God Almighty for his grace and provision for initiating and completing this exercise, as well as for his direction each and every time. Thank you for your constancy in my life and for being an inspiration to me.

My heartfelt appreciation goes to the Chancellor, Dr. David Oyedepo, and his beloved wife, Pastor Faith Oyedepo, for tirelessly pursuing the vision of Covenant University, which I am a beneficiary of, as well as to the Vice Chancellor, Professor Humphrey A. Adebayo, who has been an inspiration, and the Dean of Postgraduate School Prof. Akan B. Williams, Sub Dean Postgraduate School, Dr Emmanuel O. Amoo, Dean College of management and Social Science (CMSS), Prof. Abiola A. Babajide , Head of Department Prof. Anthonia A. Adeniji, Chaplain Pastor Victor Hill , and all other associate chaplains. May the good Lord repay you for your efforts.

My gratitude also goes to my charming Supervisor, Dr. Omotayo A. Adegbuyi, for his fatherly counsel, instructions, and directions throughout this research activity, ensuring that it was completed on time. Many thanks to the Department's whole academic staff of Business Management, Dr. Ebeguki E. Igbinoba, Dr. Ufua Daniel, Prof. Chinoye L. Moses, Dr. Mercy Ogbari, Prof. Anthonia A. Adeniji, Dr. Salau O. Paul, Dr. Olaleke O. Ogunnaike, the administrative departmental officers and to every lecturer by whom I was privileged to be taught as a student.

My gratitude also extends to my research participants, employees of May and Baker Plc, Ota in Ogun State Nigeria. I appreciate your varied responses, which contributed to the program's success. I would want to appreciate the contributions of my wonderful colleagues; graduating class of 2022 who have positively impacted my life in one way or another. Also I appreciate my humble friend Tabitha Obeisun for her unending support throughout my stay in this school. Lastly, I want to express my heartfelt gratitude and appreciation to the most important person in my life, my mother, Mrs. Helen Okeowo, for her unwavering support, prayers, and motivation throughout my life and throughout this program, ensuring I never went hungry. God will eternally repay you for the love you have shown me.

TABLE OF CONTENTS

CONTENT

PAGES

COVER PAGE	
TITLE PAGE	ii
ACCEPTANCE	iii
DECLARATION	iv
CERTIFICATION	V
DEDICATION	vi
ACKNOWLEDGEMENT	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xi
LIST OF FIGURES	xii
ABSTRACT	xiii

CHAPTER ONE: INTRODUCTION

1.1	Background to the Study	1
1.2	Statement of Research Problem	4
1.3	Research Questions	7
1.4	Research Objectives	8
1.5	Research Hypothesis	8
1.6	Significance of the study	8
1.7	Scope of the Study	9
1.8	Operationalisation of Research Variables	10
1.9	Schematic Model of the study	11
1.10	Operational Definition of Terms	12

CHAPTER TWO: LITERATUE REVIEW

2.1	Preamble	13
2.2	Conceptual Review	13
2.2.1	Management Innovation	13
2.2.2.	Management Innovation Evolution	14
2.2.3	Drivers of Management Innovation	16
2.2.4	Management Innovation Process Framework	18
2.2.5	Management Innovation Dimensions	19
2.2.6	Radical Innovation	22
2.2.7	Incremental Innovation	23
2.2 8	Disruptive Innovation	25
2.2.9	Two Types of Disruptive Innovations	26
2.2.10	Concept of Organizational Competitiveness	27
2.2.11	Factor analysis for Organisational Competitiveness	28
2.2.12	Approaches of Organisational Competitiveness	31
2.2.13	Product/Service Differentiation	31
2.2.14	Employees Engagement	32
2.2.15	Market Share	33
2.2.16	Relationship between Management Innovation and	
	Organistaional Competitiveness	34
2.3	Theoretical Review	35

2.3.2	Diffusion of Innovation Theory	35
2.3.2	Schumpter's Theory of Innovation	39
2.3.3	Theory of Disruptive Innovation	40
2.4	Empirical Review	43
2.4.1.	Radical Innovation	43
2.4.2	Incremental Innovation and Employees Engagement	46
2.4.3	Disruptive Innovation and Market Share	46
2.4.4	Training and Product	47
2.4.5	Research & Development and Organisation Product	48
2.5	Gaps in Literature	48

CHAPTER THREE: RESEARCH METHODOLOGY

3.1	Preamble	49
3.2.	Study Area	49
3.3	Research Philosophy	49
3.4	Research Design	49
3.5	Population of the Study	50
3.6	Sample Size Determination	50
3.7	Sampling Frame	51
3.8	The Sampling Technique	51
3.9	Source of Data Collection	51
3.10	Research Instrument	52
3.11	Validity of Research Instrument	52
3.12	Reliability of Research Instrument	52
3.13	Method of Data Analysis	53
3.14	Ethical Consideration	53

CHAPTER FOUR: RESULTS AND DISCUSSION

4.1	Preamble	54
4.2	Data Presentation	54
4.2.1	Demographic Profile of Respondents	55
4.2.2.	Descriptive Statistics	57
4.2.3	Test of Study Variables	61
4.3	Test of Hypothesis	65
4.3.1	Influence of Radical Innovation on Product Differentiation	65
4.3.2	Incremental Innovation and Employee Engagement	70
4.3.3	Disruptive Innovation and Market Share	76
4.3.4	Employee Learning and Product Quality	79
4.3.5	Research and Development and Product Reliability	82
4.4	Discussion of Results	86
4.5	Implication of Findings (Theoretical and Empirical Findings)	88

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1	Preamble	89
5.2	Summary	89
5.3	Conclusion	90
5.4	Recommendations	90
5.5	Contribution to Knowledge	91
5.6	Limitations of Study	92

5.7 Suggestion for Further Study

REFERENCES

APPENDIX A	Questionnaire	105
APPENDIX B	Demographic Information of Respondents	110
APPENDIX C	Raw Results from Statistical Package	112

93

LIST OF TABLES

TABLES	I	PAGES
Table 4.1	Number of Respondents	54
Table 4.2	Demographic Characteristics of Respondents	55
Table 4.3 Table 4.4a:	Descriptive Statistics of Study Variables Reliability Test of Management Innovation	60 63
Table 4.4b:	Reliability Test of Organisational Competitiveness	64
Table 4.5:	Spearman correlation between Radical Innovation and	
	Product Differentiation of DUFIL PRIMA PLC	64
Table 4.6	Generalized Structural Equation Modelling Regression Results	70
Table 4.7	Descriptive Analysis of Incremental Innovation	72
Table 4.8	Generalized Structural Equation Modelling Regression Results	75
Table 4.9	Descriptive Analysis of Disruptive Innovation	78
Table 4.10	Regression Results Showing the Effect of Disruptive Innovation on	
	Market Share	79
Table 4.11	Descriptive Analysis of Employee Learning	81
Table 4.12	Regression Results Showing the Effect of Employee learning o	n Product
Quality		82
Table 4.13	Descriptive and Correlation Analysis of Research and Development	84
Table 4.14	Generalized Structural Equation Modelling Regression Results	86

LIST OF FIGURES

FIGURES	PAG	ES
Figure 1:	Key drivers of Management Innovation	16
Figure 2	Management Innovation Process Framework	18
Figure 3	Diffusion of Innovation Adopter Categories	36
Figure 4	The innovation –driven process of diffusion shown against the	
	percentage of new uses over time	38
Figure 5	How low-end disruption occurs over time	42
Figure 4.1	Generalised Structural Equation Modelling of Radical Innovation	
	and Product Differentiation of DUFIL PRIMA PLC	68
Figure 4.2	Generalized Structural Equation Model of the effect between Incremental	
	Innovation and Employee Engagement	74
Figure 4.3	Generalized Structural Equation Model of the Effect of Research and	
	Development on Product Reliability	85

ABSTRACT

In the face of fierce competition, a changing environment, and rising customer and societal demand for new and better products, strategies alone seem inadequate for Pharmaceutical enterprises to obtain competitive advantage and preserve organisational competitiveness. Therefore, businesses are always striving to grow and expand by sustaining competitive advantage or competitive edge over their rivals in the market. So, there is a need for manufacturing firms and organisations to adopt and implement innovative approaches and practice into their managerial practices. Some of the objectives of this study are to: determine the influence of radical innovation on product differentiation; asses the effect of incremental innovation on employee engagement; explore the relationship between employee learning and product quality. This research employed survey research design in examining whether management innovations practices affect organisational competitiveness. The whole population of the study was 300 and as a result, the sample size determined is 172. A structured well administered questionnaire was made use of as the instrument for collection of data which was distributed to 172 research participants of which 150 were retrieved and filled out appropriately. Generalized structural equation modelling coupled with ordinal logistic regression analysis was employed to analyze the data. The results suggested from tested hypotheses that, radical innovations has positive but no significant effect on product differentiation. Findings also showed that incremental innovation have no significant effect on employee engagement. Findings also revealed that disruptive innovation has significant impact on market share. Findings also revealed that employee learning has significant effect on product quality. Lastly, findings showed that research and development has significant impact on product reliability. The research concluded that that innovations are positive influencers of organisation performance, especially in these times of dynamic changes in the business environment due to globalization. In addition, the study recommended that organisations should strive to be innovative in their managerial practices and implement innovations in all their activities. Lastly, this research recommended that future research on manufacturing companies needs to be carried out to validate the result of this study and expand more knowledge about the issue.

Keywords: Disruptive innovation, employee engagement, incremental innovation, market share and organizational competitiveness.