THE EFFECT OF NETWORKS CAPACITIES ON ENTERPRISE PERFORMANCE

Abstract

The study was purposed on examining the effect of enterprise networks on company performance through a mediating function of dynamic capacities using some food and beverages industry *in Lagos, Nigeria. Six hundred and fifty seven (657) middle and top level management staff of six food enterprises and beverage enterprises particularly the* manufacturing *ones through a purposive sampling technique. The study made use of primary source of data although and were validated. The structure of questionnaire was validated through a pilot study targeted at ten (10) percent of the sample size. The data collected from five hundred and thirty nine (539) respondents was analysed with the use of correlation analysis, linear regression analysis and factor analysis which bring out the beauty and reality of the study. From the study, primary data was used to achieve descriptive and inferential statistics. The Statistical Package for Social Sciences (SPSS) version 20 was used alongside Excel (Window 10) to code, compute, and process the data to derive descriptive and inferential results. Also, Lisrel version 8.70 was adopted to compute Structural Equation Model (SEM). Correlation (Pearson Product Moment Correlation) analysis revealed a strong positive cause and effect, and significant relationship between innovation product capacity and sales growth capacity at (r = 0.840, at p 0.000 < 0.01). Regression (Linear Regression Analysis) analysis revealed that strategic decision making capability is significantly influencing enterprises survival at (r= 0.803, p 0.000 < 0.05, R^2 = 0.644). Regression (Linear Regression Analysis) analysis revealed that technological capacity is significantly influencing the efficiency of enterprise capacity at (r= 0.288, p 0.000 < 0.05, R^2 = 0.083). Correlation (Pearson Product Moment Correlation revealed a strong positive cause and effect, and significant relationship between strategic flexibility capacity and competitive advantage at (r = 0.866, p 0.000 < 0.01). Regression analysis revealed that the intensity of competition is significantly influencing the survival of enterprise capacity, which is statistically significant at (r= 0.953 p 0.000 < 0.05, R^2 = 0.908). Regression analysis revealed the complex nature of technology is significantly influencing the survival of enterprise capacity, which is statistically significant at (R= 0.927 p 0.000 < 0.05, R^2 = 0.859). Factor analysis revealed that the identification of the mediating factor influencing the capacities of enterprise network performance are Strategic Decision Making Capacity (SDMC), Technological Capacity (TC), Efficiency Enterprise Capacity (EEC), and Complexity in Technology or Technological Turbulence (TT). SEM finds that dynamic capacity of product innovation is the only variable that can sufficiently enhance increasing sales growth; Competitive intensity and Technological turbulence are the only variables that can sufficiently enhance the survival of enterprise or sustain the enterprise into the unforeseeable future; Technological capability and Competitive intensity are the only variable that could enhance the efficiency of enterprise; and Strategic flexibility is the only variable that could sufficiently enhance competitive advantage of enterprise over other enterprises. It also reveals that competitive intensity has huge positive implication on product innovation at (0.39; t = 5.69, p < 0.05). This research contribute to knowledge by focusing on the effect of enterprise networks on company performance through a mediating function of dynamic capacities using some food and beverages enterprises in Lagos, Nigeria particularly the* industry *in this trying period that is evidenced with technological change,*

competition, among others. The study reveals that competitive intensity is suitable for predicting the survival of enterprise capacity. Also, complex nature of technology is suitable for predicting the survival of enterprise capacity. As competitive intensity is a necessary inducement for product innovation, the food and beverage enterprises should concentrate more on product innovation so that they will be able to stand the intensity of competition. The result emanated from the study is germane as it makes significant contribution to literature and the body of knowledge and on strategic management.