International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 11 Nov. 2024, pp: 409-421 www.ijaem.net ISSN: 2395-5252

Effects of Diversification Strategies on Organizational Competitiveness

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Date of Submission: 15-11-2024 Date of Acceptance: 25-11-2024

ABSTRACT
The study examined the effects of diversification strategies on organizational competitiveness of selected manufacturing firms in Delta State. This study adopted a descriptive research design. The study's population included 100 personnel from the staff of the selected manufacturing firms in Delta State. The sampling technique that was used for the study is simple random technique. The sample size of 80 respondents for the study was determined using Taro Yamane's formula. Data collected from the field survey were analyzed using descriptive statistics, correlation and multiple regression analyses. The researcher used self-developed questionnaire as instrument for data collection. Findings showed that product diversification strategy ($ß = 0.431$, $p < 0.05$) and market diversification strategy ($ß = 0.277$, $p<0.05$) has significant positive effect on organizational competitiveness. Findings showed that 32% of the change in organizational competitiveness was brought about by the dimensions of diversification strategies. The study concluded that diversification strategies have positive effect on organizational competitiveness of selected manufacturing firms in Delta State. The study recommended that companies should maintain high standards of quality control for all products, including the newly diversified ones. Consistency in product quality is essential for building customer trust.
Keywords: Diversification strategies, Product diversification, market diversification, competitiveness

I. INTRODUCTION

With the advancement of technology and the increasingly fierce competitive environment, companies have begun to diversify their operations in order to reduce risks (Le, 2019). How firms achieve and sustain firm's competitiveness is the most fundamental question (Misigo, 2017). Additionally, to understand the competitiveness among competitors and trends in the global market, companies need to improve their performance and ensure that they provide high-quality services and products to their esteemed customers (Maragia & Kemboi, 2021). Hunger & Wheelen (2015) suggest that companies need to develop a diversification strategy to achieve effective performance and competitiveness in the market. A company's choice of diversification strategy is based on a careful assessment of its portfolio of resources and capabilities and reflects its impact on the market (Hannan & Freeman, 2017).

Diversification entails developing a wide range of products, interests and skills to be more successful or less risky. It involves buying of different investments alternatives to spread the risk of investments. It is a strategy used by many firms not to become too dependent on only one product line, but get involved with new products aimed at penetrating new markets (Marangu et al., 2014).

Diversification is a common investment technique used to reduce the risk of large losses. By diversifying your investments across different assets, it is less likely that your portfolio will be wiped out by adverse effects affecting that single stock. Diversification is the process of spreading investments across different asset classes, industries and geographies to reduce the overall risk of an investment portfolio. The idea is that by holding different investments, the poor performance of one investment may be offset by the better performance of another, resulting in a more even overall return. The goal of diversification is therefore to include assets that are not highly correlated with each other. (Investopedia, 2022). According to Le (2019)

diversification is a strategic choice for enterprise expansion. The time will come when companies will expand into industries that include technologies and products that complement their current business. As companies diversify into closely related businesses, new cost-saving opportunities can emerge and become a significant driver of strategic diversification. Concentric or related diversification is observed when a company diversifies into related business areas such as power and water generation projects. This reduces production costs.

Firms may choose to diversify to withstand a dynamic business environment (Nyangiri & Ogollah, 2015); for extension (Su & Tsang, 2015); increased profitability (Oladimeji & Udosen, 2019); promote efficient use of resources and create investment opportunities (Emel & Yildirim, 2016; Hasby et al., 2017); achieve economies of scale to explore market options and opportunities (Sindhu et al., 2014) and as a turnaround strategy (Ndege & Wanyioke, 2017). Krivikapic et al. (2017) conclude that organizations diversify to gain a better position in the market, while Akewushola (2015) suggests that diversification strategies allow organizations to devote surplus resources to economic ends.

Companies that adopt a diversification strategy will benefit from brand loyalty which leads to higher switching costs and protects against competitive pressures. New entrants have to spend a lot to earn customer loyalty (Maragia & Kemboi, 2021). Diversification strategies also can benefit firms from reducing direct competition. Differentiation can make your customers less sensitive to other features offered by your competitors, leading to your brand becoming more entrenched in consumers' minds. This allows companies to generate higher profit margins and weaken suppliers and buyers who have no alternatives (Zhou & Ji, 2015).

Diversification has become a popular strategy among manufacturing sectors willing to surpass competitors (Udosen, 2018). Whether related or unrelated, it is a strategic option used by managers to improve organizations performance. Su &Tsang (2015) found that diversification is when an organization, individually or collectively, seeks to change its business definition by developing new products or expanding into new markets. There are different types of diversification that firms can pursue when they consider to head this direction. The strategy of diversification allows organizations to diversify vertically and horizontally with products and geography. Vertical and horizontal diversification are means to the same end. However, they use very different methods (Seppi, 2020). Organizations can diversify horizontally by leveraging existing products, modules, or new products in industries they have not previously served (Li, 2014). Conversely, companies can diversify vertically by investing more in products relevant to their current industry (Seppi, 2020).

Competitiveness is where a firm is able to create more economic value than other competing firms (Barney, 2010). Economic value is the difference between a customer's perceived benefit from purchasing a product or service from a business and the overall economic cost of those products and services. Competitiveness at the firm level is a key issue for practitioners to create and develop skills, allocate resources appropriately, and manage the factors that influence market performance. Achieving sustainable competitive advantage and superior performance over competitors is critical if a company wants to survive and maintain its edge (Zuñiga-Collazos et al., 2019).

A study by Nwakoby & Ihediwa (2018) found that diversification improves firm performance when the marginal utility is greater than the marginal cost of diversification. Companies with sufficient operational and financial strength can easily diversify into other industries as diversification is recognized as an investment behavior. Therefore, competitiveness is a possible determinant of diversification decisions.

Statement of the Problem

There has been upsurge in business failure in Nigeria. Many have attributed management and financial inept as a major contributions.Many of these companies focus on their core competencies without improving their performance, and may diversify into related or unrelated business areas in order to achieve efficient performance.

As a result, if diversification is not properly planned and implemented, it will result in a situation in Nigeria that is particularly plagued by instability, economic uncertainty, continued disruption of economic activity, lack of technology and resources, and aging infrastructure. Diversification can lead to lower performance in such developing countries. (Haim, 2015). Sahu (2017) has concluded that diversification is not a very efficient strategy to increase an organization's profit and may result in poor performance, while higher diversification is retrogressive in terms of overall performance. Nonetheless, many firms

International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 11 Nov. 2024, pp: 409-421 www.ijaem.net ISSN: 2395-5252

gained from diversifying their products and markets. The goal of diversification strategy is to create new channels of revenue and spread investments over products and geography to create shareholder and stakeholder value (Sun & Govind, 2017). The focus of the researcher on product and market diversification strategies. Santarelli & Tran (2016) have present similar opinions regarding these variables. The paper sought to find out if product and market diversification strategies can lead to improved organizational competitiveness.

Research Questions

The nature of the research problem above warrant asking some pertinent research questions, which are;

1. What is the effect of product diversification strategy on organizational competitiveness of selected manufacturing firms in .Delta State?
2. What is the effect of market diversification strategy on organizational competitiveness of selected manufacturing firms in .Delta State?

Objectives of the study

The general objective of this study is to examine the effects of diversification strategies on organizational competitiveness of selected manufacturing firms in Delta State. The specific objectives are to:

1. Examine the effect of product diversification strategy on organizational competitiveness of selected manufacturing firms in .Delta State.
2. Determine the impact of market diversification strategy on organizational competitiveness of selected manufacturing firms in .Delta State.

Statement of Hypotheses

Ho_1**:**product diversification strategy has no significant positive relationship with organizational competiveness.

Ho_2**:** There is no significant positive relationship between market diversification strategy and organizational competiveness.

Scope of the Study

The scope of the study covers the diversification strategy and organizational competitiveness of selected manufacturing firms in Delta State. Thus, the units of analyses are manufacturing firm in Delta State. In this study, two (2) dimensions of diversification strategies were used: product diversification strategy and market diversification strategy.

II. REVIEW OF RELATED LITERATURE

Diversification Strategy

Diversification is a corporate strategy of a company that intends to increase profit by increasing sales. It seeks to increase profitability through greater market sales volume obtained from new products and new market either within the industry or outside the industry (Oloda, 2017)) as cited by Oyefosoebi et al. (2017). Jouida & Hellara, (2017) defined diversification as a portfolio strategy combining a variety of assets to lower the overall risk of an investment portfolio.

Kotler and Armstrong (2006) found that diversification is a business growth strategy through the creation or acquisition of businesses outside a firm's current product or market. Ansnoff (1957) as cited by Le (2019) defined diversification as a business strategy to develop new markets with new products, and is taken when the company develops to a certain stage for longer development and more profit.

At the same time, he believes there are four directions for the company's growth. One is expansion in our own market; the other is to empirically study the relationship between original market diversification and firm performance to market new products; the third is to sell the original product in a new market different from the original market and the fourth is to develop new markets and sell new products. In his opinion, the last of these four directions of growth is the so-called diversification. (Zhou & Ji, 2015).

Ansoff pointed out that diversification strategy is distinct from the other three strategies because it requires companies to acquire new skills, new technique and facilities unlike other three strategies that use the same technical, financial and existing resources to create a new product line. The purpose of diversification is to allow organizations to enter lines of businesses that are different from its current operation (Manyuru, Wachira & Amata, 2017).

Diversification is a strategy used by management to seize more opportunities in the current market. Operating in different line of business can result in greater operating efficiency, capacity to take on more debt and transfer profits from well performing divisions to the loss making divisions. Diversification has always be a strategy for competitive advantage, where managers spread risk across several businesses to increase profitability, reduce risk of bankruptcy, create synergy, enhance market operations and improve performance. Many businesses fail to diversify in

terms of investment, organization and financial due to fear and lack of competences of the business owner (Idehen & Oyarebu-Shaibu, 2021).

Industrial organization economics assumes that diversified firms benefit from multiple types of regulatory effects, including economies of scope and economies of scale created by implementing a diversification strategy, the advantage of sourcing information from multiple product markets to generate consistent market profits, the ability to use internal resources more effectively and share knowledge and skills across business units. (Le, 2019).

Diversification has become a popular strategy in manufacturing sectors looking to outperform their competitors (Ulrich & Haug, 2013). Related or not, this is a strategic option managers use to improve company performance. Su and Tsang (2015) argue that diversification occurs when organizations individually or collectively seek to change the definition of their business by developing new products or expanding into new markets.

Kheng (2017) explained that diversification strategies can be approached in three ways – Related or Concentric diversification, Unrelated or Conglomerate, and mixture or Hybrid diversification strategies. In the related or concentric diversification, new ventures are strategically related to the existing product line while unrelated or conglomerate strategy occurs when there is no common trend of strategic fit or relationship between the new and old lines of business or products. The hybrid strategy is when a company combines or operates on both strategies.

Organizational Competitiveness

Newbert (2008), cited by (Zuñiga-Collazos et al., 2019), defines competitive advantage as implementing strategies not currently implemented by other firms that help reduce costs, exploit market opportunities, and/or neutralize competitive threats. This level of competitiveness takes into account various factors that influence results, such as innovation and technology (Camison & Fores, 2015), Profitability, cost reduction and product differentiation (Kuo, Lin & Lu, 2017), among others.

Competitiveness means that a firm can generate more economic value than other competitors (Sri & Nur, 2017)). Economic value is the difference between a customer's perceived benefit from purchasing a product or service from a business and the overall economic cost of those products and services (Barney, 2007).Competitiveness in firms is measured by their ability to turn input into output in the most efficient and economical way. According to Pearce & Robinson (2010) in Marangu et al. (2014), a scheme developed by Michael Porter, for a firm that seeks to build competitive advantage, it should strive for overall low-cost leadership in the industry, the firm should be able to use its low cost advantage to charge lower prices and yet enjoy higher profit margins. This enables the firm to be able to defend it in price wars and attack its competitors to gain market share and growth in sales which shows that the firm is competitive.

Competitive advantage is widely discussed in the literature in terms of cost reduction, differentiation, growth and quality (Elbeltagi, Hamad, Moizer & Abou-Shouk, 2016). Competitive advantage means that the firm can produce goods or services that their customers find more valuable than the goods or services produced by their competitors (Saloner, Hamad, Moizer & Abou-Shouk, 2001 in Sri & Nur, 2017). Roger (2010) describes the sources of the competitive advantage, such as cost advantage, differentiation of advantage and marketing advantage. Quality as one of the elements of competitive advantage can be achieved in various areas of an organization such as: B. Quality of products and services, quality of information, quality of relationships with business partners (N'Da, Bergeron, Raymond, 2008; Sri & Nur, 2017). A competitive advantage is something that characterizes something and is better than all its competitors (Sakas et al., 2014).

Aspects of competitive advantage include cost, quality and delivery (Chamsuk, Phimonsathien & Fongsuwan, 2015). Competitive advantage is created through innovation, efficiency, quality and customer responsiveness (Attiany, 2014). Knowledge can be seen as a competitive advantage because it is difficult for firms to imitate competitors (Kaveh, Bamipour, & Far, 2015). The current business environment is evolving and opportunities to leverage competitive advantage are temporary (Wang, 2014).

Conceptual Framework of the study

The research demonstrates the hypothesized research model which proposes that diversification strategies constructs i.e. product diversification strategy and market diversification strategy have a positive influence on organizational competitiveness.

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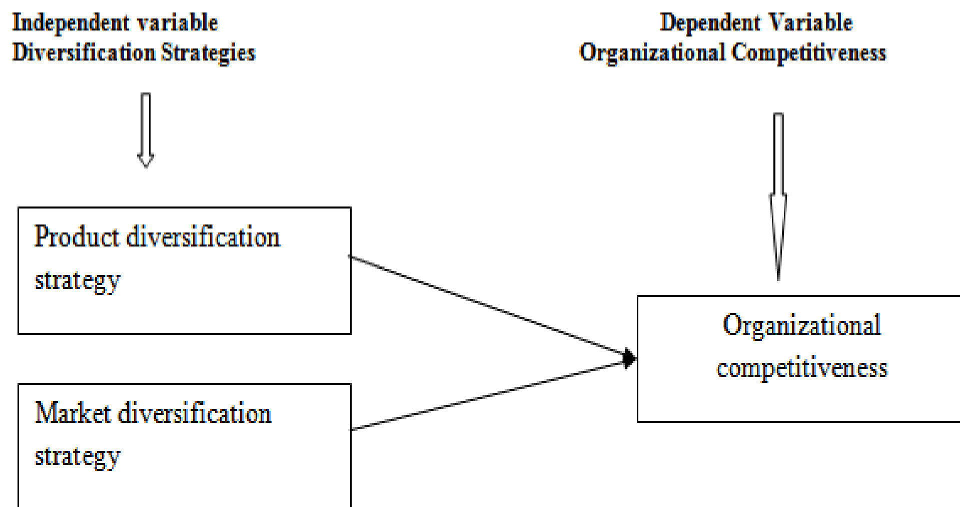

Fig 1 Conceptual Framework (Researcher's Model 2023)

Product Diversification Strategy and Organizational Competitiveness

Product diversification is the expansion of a company into related and unrelated product segments, or vertical and horizontal segments (Arte & Larimo, 2022). According to Chatterjee and Wernerfelt (2001) as cited by (Ojiru, 2023), different types of diversification strategy depends on the firm's resource specificity as this dictates which product diversification strategy the firm can adopt. It can adopt either related or unrelated product diversification strategies. If the firm is well endowed with physical resources then this implies that it can only venture into related products.

Product diversification is a company's strategy to increase profitability and generate higher sales volume with new products. Diversification can be done at the business level or at the enterprise level. Product diversification includes business-level product diversification, which is expansion into new segments of the industry in which the company is already active, and company-level product diversification into new industries beyond the scope of the company's current business divisions (ITeam, 2023).

Most often when organization face stiff competition that result in lower profit value, diversification strategy could be implemented by the company to gain market power advantages and create superiority over their rivals (Pakhunwanich et al., 2018). Such could help offer goods and services at lower prices than competitors.

Market Diversification Strategy and Organizational Competitiveness

A diversified firm can be considered as one having operations in more than a single industry or market. Diversification into new lines of business in the current practice of business is about gaining more market share and reaching out to those who can't access your products (Sulaimon et al., 2018). This has made many business firms move in to tap into these opportunities by diversifying strategically to net them. For firms to shun the competition of its competitive rivals, they must grow in their market diversification strategy. Competitors are companies offering similar products and services targeting the same customer groups. Competition among existing competitors takes the familiar form of positional warfare, using tactics such as price wars, product launches and aggressive advertising. (Ndege & Wanyoike, 2017).

A firms' market diversification strategy explains how management intends to grow the business, how to build loyal clientele, how to compete with rivals, how each functional pieces of the business will be operated and how to boost performance (Ndege & Wanyoike, 2017). Market uncertainty stems from the lack of clarity in the dynamics of the market and their effects on the firms' operations, demand and supply conditions in the industry. Technological uncertainty pertains to change in the industry's technological resources and capabilities that have potential of undermining a firm's competitive base in the market. Ngonga (2011) confirms that firms need to adopt strategies that would enable them maintain competitive positions in the market or risk elimination.

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Theoretical Review

Ansoff Theory

The work done by Ansoff (1988) provides an appropriate introduction when considering the management theories around diversification. He produced a product/matrix that identified directions for strategic development. The matrix promotes four different strategies informed by whether the strategy direction is in new/existing markets with new/existing products. Apart from diversification, the others are Market penetration in which growth occurs through increased share of existing markets. In addition, market penetration includes the activities that are used to increase the market share of a particular product or service. Market development opportunities occur in markets other than those currently being targeted but with the same product. The overarching aim is to increase profit by selling more existing products in new markets. Product development is adopted when a firm has less than comprehensive products/services in market. In this regard, there must be an awareness of customer requirements and knowledge of gaps in the product/service range. Costs will be attached to developing new services and their resulting promotion. The remaining strategic option is diversification that is represented by new products in new markets which also explains the role of functional diversification on growth of firms.

A diversification strategy is when there is a fundamental change in the industry, for example when an existing technology is replaced by a new one (van Oijen & Douma, 2000). The emergence of the internet is provided as an example which forces new strategic direction to meet the changing industry condition. Grant (2005) acknowledges that if organizations are to survive and prosper over the long term they must change. Inevitably this change involves redefining the business in which the organization operates. Diversification is important because of the synergy that it creates (Ansoff, 1988; Ensign, 1998). By moving into new areas, opportunities emerge to develop new inter-relationships through the actual process of working on new services and markets. This synergy yields returns greater than the sum of the parts of the resource (Ansoff, 1988). This theory provides a basis for explaining the impact of product and market diversification strategies on firm's organizational competitiveness.

Empirical Review

Clinton & Salami (2021) investigated the impact of the Diversification Strategy on Organizational Performance in Manufacturing Firms in Nigeria. The specific objectives of the study are to ascertain the effect of the measures of Diversification Strategy, namely; Product Diversification (PD), and Geographical Diversification (GD), The data was collected through the aid of 5-Likert scale structured question from the respondents that comprised a sample size of one hundred and twelve (112) respondents. The Data collected from the questionnaire was coded using the Excel spreadsheet and entered into Statistical Package for Social Science (SPSS) for analysis using descriptive statistics and presented using inferential statistics where the test for significance, direction, and strength of the relationship was established. Inferential statistics such as correlation analysis were used to discover if two variables are related and the hypotheses of the study were tested using multiple regressions. The result revealed that Product Diversification (PD) and Geographical Diversification (GD), has a significant relationship with Organizational Performance (ORGP). Based on the findings, the study concluded that there is a significant relationship between Diversification Strategy and Organizational Performance in manufacturing firms.

Oladimeji & Udosen (2019) examined the effect of a diversification strategy on an organization’s performance in the manufacturing sector. A quasi-experimental study with an ex-post facto research design were used for the study. The respondent population consists of thirty-one organizations listed in Nigerian Stock Exchange (NSE) for a period of 20 years (1997-2017), while the sample size is comprised of six organizations purposively selected based on their life-span and level of diversification. Three hypotheses were formulated and tested using ratio analysis, while performance was measured in terms of ROA, ROI and ROE; organization size, organization value and growth; as well as leverage and liquidity. For data analysis, E-View version 9 was used to extract data from financial statements of selected organizations. The study found that diversified firms outperformed non-diversified firms in terms of ROA and ROI. Related and diverse organizations had positive ROA (26.8%), while independent and hybrid diverse organizations had positive ROE (81.7% and 20.5%). Diversification strategies lead to growth and profitability (20%) and a strong capital structure to cover debt (26%). This study concludes that diversification is a strategic tool for

achieving strategic relevance and spontaneous performance.

Idehen & Oyarebu-Shaibu (2021) carried out a study to examine impact of diversification on firm performance in SMEs in Benin city, Edo State. The purpose of this study is to determine the impact of diversification on the performance of small and medium enterprises (SMEs) in Nigeria. The study design is exploratory and descriptive. Primary data were collected using questionnaires. The results showed, on a scale of 1 to 5, that the profitability and performance level of the pre-diversification company (Nadia Bakery) increased from fairly good to very good post-diversification. It was recommended that SMEs should definitely pursue diversification for continued growth and consider selling if organizational resources are stretched.

Maragia & Kemboi (2021) carried out a study to establish the influence of horizontal diversification on organizational performance of manufacturing companies in Uasin Gishu County. The study was guided by the contingency theory and target population was employees of the 36 manufacturing firms in Uasin Gishu County. The population of the study comprised of 5662 employees of selected manufacturing firms in Uasin Gishu County. A sample of 374 employees was selected using stratified, proportionate and simple random sampling techniques. The study relied on a structured questionnaire as the main tool for data collection. The data collected was analyzed using descriptive statistics including mean, percentages and frequencies and inferential statistics. The study findings indicated that horizontal diversification ($\beta = 0.263$; $p < 0.05$) is significant factors that influence organizational performance of manufacturing companies. The study recommends that manufacturing companies that wish to achieve economies of scale and redeem their financial position in the face of downturn or decline in the product life cycle should diversify its product lines to better meet customers' demands as well as to achieve profitability and expansion as well as increase performance.

III. METHODOLOGY

This study made use of a descriptive research design. Descriptive research design involves collection of information from a large population and concentrates on the respondent's views in order to get relevant information about the dependent and independent variable using questionnaires to achieve the research objectives. This design is deemed appropriate as it gives a description of a group of people, phenomena or an event based on the influence on another variable.

The researcher used self-developed questionnaires as primary data collection instrument (Yeasmin & Rahman, 2012). A questionnaire is a tool that consists of a number of questions printed or typed in a definite order on a form or set of forms, sent to persons concerned with a request to answer the questions and return the questionnaire (Kothari & Garg, 2014).

A target population is a group of people who have similar traits and are being examined (Walliman, 2011). The study focused on selected manufacturing firms in Delta State: Wichtech Aluminum and Asaba Aluminum. The target population refers to the population from which information was gathered. The study's population included 100 personnel from the staff of the selected manufacturing firms in Delta State which are Wichtech Aluminum and Asaba Aluminum, the majority of whom were full-time employees of the firms under investigation.

The sample size for this study is a percentage of the population taken from the manufacturing firms in Delta State (Wictech and Asaba Aluminum) to assess the influence of diversification strategies on organizational competitiveness.

The sample size of 80 for this study was determined using Taro Yamane's formula. The sampling technique that was applied in selecting a sample of 80 respondents from a population of 100 in this study was the simple random technique in which every member has an equal chance of being selected.

Data collection was by means of a questionnaire which had close ended items. Pilot testing of the instrument was done by administering the questionnaires to 10% of the total sample size. The questionnaire that was utilized in the study was divided into two major sections, each with a connected object. The first section covered respondents' demographic information, such as their age, gender, marital status, degree of education, and years of employment. The second section discussed the elements of teamwork and employee productivity. A five-point Likert scale (1-5) was used where 1 represents strongly disagree; 2 – disagree; 3 – neutral; 4 – agree; 5 – strongly agree.

Data collected from the field survey of respondents from the senior, middle and lower management of selected manufacturing firms were sampled and analyzed using descriptive as well as inferential statistical techniques at arriving at a

generalization and conclusion. The descriptive statistics made use of simple percentage to analyze the questionnaire response pattern and background profile, While inferential statistical technique; correlation analysis was employed to measure the degree of association between different variables under consideration; multiple regression was used to ascertain the strength of relationship that exist among variables.

IV. DATA ANALYSIS

Characteristics of the Sample

Table 1 Analysis from the field survey

Pattern focused	Number administered	Number returned	Number used
Respondents	80	80	100%

Source: Distributed Questionnaire (2023)

A total of 80 copies of questionnaire were distributed, were retrieved and completed accurately. Consequently, the analysis presented in this chapter was grounded on a response rate of 100%.

Table 2: Analysis of Respondents Profile

S/N	Variables	Frequency	Percentage (%)
1	Gender:		
	Male	49	61
	Female	31	39
	Total	80	100
2	Age Range:		
	Below 30 years	23	29
	31-40 years	34	43
	41years and above	23	28
	Total	80	100
3	Marital Status:		
	Single	24	30
	Married	56	70
	Total	80	100
4	Educational Qualification		
	OND/NCE	32	40
	HND/B.Sc	37	46
	Master	11	14
	Total	80	100

Source: Field Survey, 2023.

Table 2 presents the demographic profiles of the various participants. The results of the study revealed that 61% of the participants were male, whereas 39% were female. The study revealed that a considerable proportion of the respondents belonged to different age groups. Specifically, 29% of the participants were below 30years old, 43% were aged between 31 and 40 years, and the remaining 28% were aged 41 years and above. The data pertaining to the marital status of the participants indicates that 30% of the individuals in the sample were unmarried, whereas the remaining 70% were found to be married. The study revealed that a significant proportion of the respondents possessed varying levels of educational attainment. Specifically, 40% of the participants held Ordinary National Diploma (OND) or Nigeria Certificate in Education (NCE), while the majority (46%) held Higher National Diploma (HND) or Bachelor of Science (B.Sc.) degrees. Additionally, a notable proportion (14%) of the respondents held postgraduate qualifications at the master's level.

4.2 Analysis of Other Research Data

The analysis of the other research data as well as the testing of their earlier postulated hypotheses in previous chapter was done here for the purpose of arriving at a conclusion.

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Volume 6, Issue 11 Nov. 2024, pp: 409-421 www.ijaem.net ISSN: 2395-5252

Table 3 Pearson Correlation between product diversification strategy and organizational competitiveness

Correlations

		Product diversification strategy	Market diversification strategy	Organizational competitiveness
Product diversification strategy	Pearson Correlation	1	.234*	.496**
	Sig. (2-tailed)		.036	.000
	N	80	80	80
Market diversification strategy	Pearson Correlation	.234*	1	.378**
	Sig. (2-tailed)	.036		.001
	N	80	80	80
Organizational competitiveness	Pearson Correlation	.496**	.378**	1
	Sig. (2-tailed)	.000	.001	
	N	80	80	80

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

From table 3 the correlation coefficient (r = 0.496**) between product diversification strategy and organizational competitiveness is positive. The significant value of 0.000 reveals a significant relationship. Furthermore, the correlation coefficient (r = 0.496**) between market diversification strategy and organizational competitiveness is positive. The significant value of 0.001 reveals a significant relationship.

Table 4: Multiple regression analysis of diversification strategies and organizational competitiveness

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	2.802	2.646		1.059	.293
Product diversification strategy	.556	.125	.431	4.450	.000
Market diversification strategy	.280	.098	.277	2.860	.005

a. Dependent Variable: Organizational competitiveness

Table 4 exhibited the multiple regression analysis result fordiversification strategies and organizational competitiveness. It was indicated that product diversification strategy has positive effect on organizational competitiveness ($ß = 0.431$, $p < 0.05$). Market diversification strategy has positive effect on organizational competitiveness ($ß = 0.277$, $p < 0.05$). The prediction of organizational competitiveness using the statistical model is presented as follows:
OC = 2.802+ (0.556PDS) + (0.280MDS)

Table 5: Analysis of variance

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	58.045	2	29.022	17.958	.000[b]
	Residual	124.443	77	1.616		
	Total	182.487	79			

a. Dependent Variable: Organizational competitiveness
b. Predictors: (Constant), Market diversification strategy , Product diversification strategy

The F-ratio in table 4.5 showed that diversification strategies statistically significantly predict organizational competitiveness, F =17.958, 0.000< 0.05. This means that the regression model is statistically significant.

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Table 6: Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.564[a]	.318	.300	1.271

a. Predictors: (Constant), Market diversification strategy , Product diversification strategy

Table 6 showed the extent to which diversification strategies accounted for change in organizational competitiveness as reflected by the R Square, which showed that 32% (0.318) of the change in organizational competitiveness was brought about by the dimensions of diversification strategies.

Hypotheses Testing

The multiple regression analysis was adopted as the analytical technique for testing the stated hypotheses. The p-values reported in the regression coefficient tables were used for testing the study hypotheses.

The Decision Rule

If the probability value calculated is lesser than the critical value of 5% (i.e. 0.000 < 0.05), it is vital to conclude that the given parameter is significant. In this scenario, it is accepted that there is need to reject the null hypotheses and to accept the alternate. When we reject the null hypotheses, we say that our findings are statistically significant and vice versa (Gujarati & Porter, 2009). Thus, the p-value was set at 0.05 (5%).

H01: Product diversification strategy has no significant positive relationship with organizational competiveness.

Table 4.4 showed that the calculated level of significance is lesser than the p-value of 0.05 (5%) i.e. (0.000 < 0.05). Based on this, the null hypothesis was rejected while the alternate was accepted implying that product diversification strategy has significant positive relationship with organizational competiveness.

H02: There is no significant positive relationship between market diversification strategy and organizational competiveness.

Table 4.4 showed that the calculated level of significance is lesser than the p-value of 0.05 (5%) i.e. (0.005 < 0.05), the null hypothesis was rejected while the alternate was accepted. This implies that there is a significant positive relationship between market diversification strategy and organizational competiveness.

Discussion of Findings

In line with the data analysis done in section four and the review of the related literature in section two, the discussion of findings of this study is presented below.

Product Diversification Strategy and Organizational Competiveness

Table 4.4 indicated that product diversification strategy has positive effect on organizational competiveness (ß = 0.431, p <0.05). Test of H1 showed that product diversification strategy has significant positive relationship with organizational competiveness (0.000 < 0.05). The result supports Pakhunwanich et al. (2018) study findings that in most occasions where organisations encounter intense competition leading to diminished profitability, they may opt to adopt a diversification strategy in order to attain market power advantages and establish superiority over their competitors.

Market Diversification Strategy and Organizational Competiveness

Table 4.4 showed that market diversification strategy has positive effect on organizational competiveness (ß = 0.277, p <0.05). Test of H2 showed that there is a significant positive relationship between market diversification strategy and organizational competiveness (0.005 < 0.05). The result is in agreement with Ndege and Wanyoike (2017) assertion that a firm's market diversification strategy elucidates the intended methods by which management aims to expand the business, cultivate a loyal customer base, compete with competitors, effectively operate each functional aspect of the business, and enhance overall performance.

Summary of Findings

Findings showed that 32% of the change in organizational competitiveness was brought about by the dimensions of diversification strategies.

The results suggest that implementing a product diversification strategy has a positive effect on organizational competiveness. The beta (ß)

value of 0.431 indicates the strength of the relationship, and the p-value being less than 0.05 indicates that the relationship is statistically significant. In other words, there is evidence to support the claim that organizations adopting a product diversification strategy tend to be more competitive.

Similarly, the findings indicate that a market diversification strategy also has a positive effect on organizational competitiveness. The beta (ß) value of 0.277 signifies the strength of the relationship, and the p-value being less than 0.05 shows that the relationship is statistically significant. This implies that organizations pursuing a market diversification strategy are likely to enhance their competitiveness.

Both product diversification and market diversification strategies are beneficial for enhancing organizational competitiveness, as indicated by the positive effects and statistically significant results. These findings are valuable for businesses seeking to improve their competitive position in the market.

V. CONCLUSION

The study concluded that diversification strategies have positive effect on organizational competitiveness of selected manufacturing firms in Delta State. Product diversification and market diversification strategies are beneficial for enhancing organizational competitiveness. Product diversification involves offering a variety of products or services to cater to different customer needs and preferences. By doing so, an organization can increase its market reach and potentially attract a broader customer base. Market diversification, on the other hand, entails entering new markets or geographic regions with existing products or services. This allows a company to reduce its dependence on a single market and mitigate risks associated with market-specific fluctuations. By adopting these strategies, organizations can achieve several benefits, such as increased revenue streams, reduced vulnerability to market fluctuations, and a stronger overall competitive position. However, it is essential to consider various factors, including market research, resource allocation, and operational capabilities, to effectively implement these strategies and maximize their impact on competitiveness.

Recommendations

1. Companies should maintain high standards of quality control for all products, including the newly diversified ones. Consistency in product quality is essential for building customer trust.
2. Companies should evaluate different market entry strategies, such as exporting, licensing, joint ventures, or establishing local subsidiaries. Choose the approach that best suits the company's resources and goals for each market.

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