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Innovation and Performance of Quoted Food and Beverage Companies in Lagos State, Nigeria

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Abstract

This study investigates the effect of innovation on the performance of quoted food and beverage companies in Lagos State - Nigeria. Survey research design was adopted for the study. The population for the study was 138 management staff of quoted food and beverage companies in Lagos State. While census approach was used to study the entire population of 138 management staff. Data for the study were analysed using descriptive and inferential statistics. This was done through the instrumentality of SPSS that facilitates necessary computation. The findings of the study indicate that, product innovation had significant effect on the performance of food and beverage companies in Lagos State ($B = 0.512$, $t = 6.637$, $p = 0.001 < 0.05$) and process innovation had significant effect on the performance of food and beverage companies in Lagos State ($B = 0.321$, $t = 4.207$, $p = 0.004 < 0.05$). The study concluded that; product innovation, and process innovation have significant effects on the performance of food and beverage companies in Lagos State. The study therefore recommended that management of food and beverage companies should strive to encourage innovation culture. This can be attained by giving appropriate incentives to staff in form of reward, celebration of success, promotion of teamwork and intranets that can help employees to share information that promote innovation and boost performance, creating conducive environment that allow staff to contribute freely to decision making process without victimisation as well as not penalising those who try new ideas that fail.

Keywords: Innovation, performance, product innovation, process innovation

Introduction

In recent years, the landscape of the food and beverage industry in Lagos State, Nigeria, has undergone significant transformations driven by technological advancements and innovation. The dynamic interplay between innovation and business performance has become a focal point for researchers, industry professionals, and policymakers alike. This study delves into the intricate relationship between innovation and the

performance of quoted food and beverage companies operating in Lagos State.

Lagos, being the economic hub of Nigeria, is home to a vibrant and competitive food and beverage sector. Companies within this industry are constantly navigating challenges and opportunities, with innovation emerging as a key determinant of their success. The increasing globalization, consumer demands, and regulatory changes have compelled companies to adopt

innovative strategies to stay competitive and sustain growth.

Innovation within the context of the food and beverage industry encompasses a wide range of factors, including product development, process improvement, marketing strategies, and technological integration. This study seeks to explore how the adoption and implementation of innovative practices impact the financial and operational performance of quoted companies in the sector, shedding light on the strategies that contribute to sustainable success.

As the world evolves, so do consumer preferences, and companies that can anticipate and adapt to these changes through innovative means often find themselves at the forefront of the industry. The examination of innovation's effects on performance is not only pertinent for individual companies but also holds broader implications for the overall economic development of Lagos State.

By investigating this nexus between innovation and performance in the food and beverage sector, this study aims to provide valuable insights for industry stakeholders, policymakers, and researchers, facilitating a better understanding of the factors that drive success in this dynamic and pivotal segment of Lagos State's economy. Through an in-depth analysis, we aim to uncover patterns, challenges, and opportunities that will contribute to the formulation of informed strategies, fostering a more resilient and competitive food and beverage industry in Lagos State.

Objectives of the Study

The general objective of the

study is to evaluate the effect of innovation and the performance of quoted Food and Beverage companies in Lagos State. The specific objectives are to:

1. Examine the extent of effect of product innovation on the performance of Food and Beverage companies in Lagos State
2. Evaluate the effect of process innovation on the performance of Food and Beverage companies in Lagos State

Research Questions

The following research questions are therefore put forward:

- i. What is the extent of effect of product innovation on the performance of Food and Beverage companies in Lagos State?
- ii. Does process innovation have any effect on the performance of Food and Beverage companies in Lagos State?

Statement of Hypotheses

In the light of the aforementioned research questions and objectives, two research hypotheses are formulated for the study in their null forms to be tested thus:

- H0₁: Product innovation has no significant effect on the performance of Food and Beverage companies in Lagos State
- H0₂: Process innovation has no significant effect on the performance of Food and Beverage companies in State.

Literature Review

Theoretical Framework

Resources-Based View Theory

The Resource-Based View (RBV) theory propounded by (Wernerfirt 1984) focuses on the internal resources and capabilities of a firm as key determinants of its competitive advantage and performance. Application to Food and Beverage Companies: In the context of food and beverage companies in Lagos, this theory suggests that firms with innovative resources and capabilities, such as advanced production technologies, unique recipes, efficient supply chain management, or strong brand reputation for innovation, may experience superior performance compared to their competitors. The theory emphasizes the importance of sustained competitive advantage derived from internal resources that are valuable, rare, and difficult to imitate. People with financial capital are able to acquire resources to effectively exploit entrepreneurial opportunities, and set up a firm to do so (Clausen, 2006).

Dynamic Capabilities Theory

The phrase "dynamic capabilities" was introduced in a working paper by David Teece, Gary Pisano, and Amy Shuen. The final, peer-reviewed version was published in 1997. The Dynamic Capabilities Theory posits that a firm's ability to adapt, learn, and innovate in response to changing environments is crucial for its long-term success and performance. Application to Food and Beverage Companies: In the dynamic market of Lagos, food and beverage companies must constantly adapt to changing consumer preferences, regulatory environments, and

technological advancements. This theory suggests that companies that invest in dynamic capabilities, such as R&D initiatives, flexible production processes, and a culture of continuous learning and adaptation, are more likely to achieve sustained competitive advantage and better performance. The ability to innovate and quickly respond to market changes becomes a critical factor in determining success. By exploring these theories, researchers can investigate how the internal resources, capabilities, and adaptive strategies of food and beverage companies in Lagos contribute to their innovation and, subsequently, their overall performance in the competitive market. The dynamic capabilities theory assumes that companies require certain capabilities to be successful and responsive to the (dynamic) changes in their environment by creating, integrating, and modifying their resource base (Teece, 2007).

Conceptual Framework

Concept of Innovation

Innovation reflects a firm's tendency to engage in, and support new ideas, uniqueness, experimentation and creative processes that may result in new products, services, or technological processes (Clark 2010). Innovative firms have capabilities to monitor the market changes and respond quickly, thus capitalising on emerging opportunities (Wiklund, 1999). Similarly, Tidd and Bessant (2011) posit that innovation is driven by ability to see connections, spot opportunities and to take advantage of them by creating completely new possibilities through radical breakthroughs in technology i.e. new drugs based on genetic manipulations, iPhones, iPods that revolutionised the communication industry. Innovation, by nature, is fundamentally about

entrepreneurship. It is a process through which ideas are transformed into actions. It contributes severally to the growth and development of new firms and or new organizations. New product/service helps an organization to capture new markets and maintain existing market shares. It provides firms with competitive advantage to grow, this is not only through reduced prices, but by its ability to redesign, to repackage, to customize and improve quality of its offerings.

The realization that today's customers want more value for their money coupled with the constantly changing socioeconomic environment makes new product development paramount for firms desirous of growth. Unpredictable government policies that open up new opportunities for one firm might have closed down opportunities for others, more so, current product life-cycles continue to shorten in the face of technological advancement. All these require pragmatism of firms to make new product development their competitive cutting-edge in the marketplace.

Innovation is not just about new products, ability to fashion out an old product in a new way, craftily improve value-propositions of existing products/services, creatively produce something difficult to replicate is to demonstrate superior ability. This is known as process innovation. And as observed by Tidd and Bessant (2011), superior ability to complicate production process for competitor/imitator in the act of producing a product is said to account for the survival of small firms like Incat or Oxford Instruments, in their highly competitive global markets. Innovation is also creating cutting-edge for both

products and services firms. Deployment of robust and sophisticated IT technologies have ensure growing firms are able to render good quality services at faster and cheaper rates than their competitors worldwide.

Dimensions of Innovation

Many studies (Maier, 2013; Vadastreama, 2015, Maier 2014, Maier 2018) indicated that the innovation dimensions include activities such as product innovation and process innovation.

(a) Product Innovation

Product innovation refers to the development of goods or services with characteristics or intentions of use that differ significantly from previous products made by the enterprise (Meeus, 2006; Maier, 2012; Olaru, 2013; Maier, 2014 a-b; Olaru, 2016). One of the four strategic options when planning their product or market development strategies is to develop a new product (Maier, 2014a). This option is adopted by the enterprise due to the following: existing products no longer meet consumers' needs, their tastes change; the environment is changing, new needs are created within the market; accelerating the decline of existing products due to the development of new products and technologies by competition; due to the total size of the market or the intensity of competition, the growth potential is limited; in the life cycle maturity stage a firm has a product portfolio that generates a lot of liquid money; Production capacity is under-utilized due to a seasonal variation in demand; competition is intensified in a certain market. Product innovation always meets customer needs, expectations, dreams and wishes

through creative products and services that incorporate the latest and greatest knowledge in the field (Maier, 2018).

Product innovation is defined as the creation and development of new or improved products, services, or processes by a company or organization. It involves introducing novel ideas, technologies, features, or designs that provide added value to customers and differentiate the product from existing offerings in the market. Successful product innovation requires a combination of creativity, market research, customer insights, technological expertise, and effective project management. It is driven by a desire to meet evolving customer needs, stay ahead of competitors, and create sustainable business growth (Nick, 2023).

According to Nick, (2023) a successful product innovation requires a combination of creativity, market research, customer insights, technological expertise, and effective project management. He maintained that the product innovation forms that create sustainable business growth include; new product development, product improvement, line extension, process innovation, cost innovation and business model innovation

(b) **Process Innovation**

Process innovation is the implementation of a production method, or significant changes in specific techniques, equipment and / or software, in order to reduce production and distribution costs, improve the quality, production or distribution of new or improved products, to increase the efficiency or flexibility of a

productive activity or supply activity and to reduce the risks to the environment (Maier A, 2014b; Maier D. 2014; Maier D. 2015).

Process innovation means conducting an activity in a new way and implies the use of specific tools of change and the transformation of business processes (Davenport, 1993). According to the Oslo Manual, process innovation may be defined as:

... the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. Process innovations can be intended to decrease unit costs of production or delivery, to increase quality, or to produce or deliver new or significantly improved products (OECD, 1997, pp. 58-59).

Despite the little importance given to process innovations by academics and companies, Piening and Salge (2015) claim that they are important sources of competitiveness, and they encourage research on their implications, antecedent and contingency aspects. Keupp, Palmié and Gassmann (2012) corroborate this and point out that research on this topic helps to improve understanding of how companies introduce innovations through organizational and managerial activities. In this sense, the present study seeks to broaden the frontiers of knowledge in innovation by discussing the implications of process innovations.

Process innovations sometimes tend to be affected by product innovations and vice versa (Piening & Salge, 2015; Damanpour & Gopalakrishnan, 2001; Reichstein & Salter, 2006). Some authors also claim it is possible for the same process to affect

the production of several products, while the same product tends to imply the implementation of various processes (new or reformed). In this sense, Abernathy & Utterback (1978) claim that changes in a given process cause changes to many other processes of which they are an offshoot.

Concept of performance

Performance is the measure of how efficient and effective an organisation is and how well it achieves its objectives (Vuong, 2016). Performance is when entrepreneurs use their resources to reach their targets and objectives or goals (Ingram et al., 2016). The level of business performance is evaluated by finances, management, organisation market performance, productivity, efficiency, and effectiveness (Baron *et al* 2013). Organisational performance and CE are determined by customer relationship management, customer satisfaction, loyalty and service-oriented architecture when both objective and subjective measures are used (Wiguna & Manzilati, 2014). This research believes that organisational performance is the key to the success or failure of any business. Therefore, non-financial performance measurement adopted by this study is product quality and customer retention.

Product Quality

Product quality is an effort to meet or exceed customer expectations. A product that has a quality that meets the standards of quality that have been determined, and quality is a continually changing condition as the customer's taste, or expectation of a product is always changing (Juwita *et al*, 2019) Ndukwe (2011) explain that product quality is those characteristics of a

product that satisfy customers' wants and needs in exchange for monetary considerations. The attributes of product quality include functional and psychological benefits attached with a product (Ndukwe, 2011).

Customer Retention

Customer retention refers to a company's ability to turn customers into repeat buyers and prevent them from switching to a competitor. It indicates whether your product and the quality of your service please your existing customers. Customer retention refers to the actions that are done in order to keep the customer relationship alive and retain the profitability of the customer (Strydom et al. 2020). Customer retention is the propensity of the customer to stay with their service provider (Tripathy and Jain, 2020).

Review of Empirical Studies

Sara, A. & Dragana, R. (2019), conducted a study on product innovation, process innovation and export propensity: persistence, complementary and feedback effects in Spanish firms. The study explores the persistence of technological innovation and exports, their potential complementary relations and feedback effects. Empirical results suggest the presence of both true and spurious state dependence in all three activities. However, given that results also suggest spurious state dependence, firm-specific characteristics should be taken into account in promoting technological innovations and exports. The difference I that the study was carried out in Spanish, while the present study was conducted in Nigeria.

Maier, D. (2018) conducted a research on product and process innovation: A new perspective on the organisational development. The study state that innovation is one of the distinctive elements of strategies and policies implemented over the last quarter of a century, both within organisations and at national and regional levels. The aim of the survey was to review the most important contributions from the literature in terms of the implications of the two types of innovation: product innovation and process innovation. The present study look at the effect of innovation and the performance of quoted food and beverage companies in Lagos State.

Isabel, C.S. (2018) examined the process innovation: a surfing manufacturer case study. The study aim to contribute to scientific discussions, the study provides empirical evidence of process innovation by small business and its implications from the recent innovation theory perspectives. The main results demonstrate that incremental and architectural innovations co-occur. Furthermore, because they are effectively implemented, they require business process changes. The findings show that an integrated and adequate combination of the different types of innovation tends to contribute to the improvement of business results. While the present study focus on the effect of innovation and the performance of quoted food and beverage companies in Lagos State.

Methodology

This study adopted survey research design. The design was suitable for this study because it specified how

much data would be collected and structured. The survey design was relevant to this study as it gives room for the assessment of public opinion using questionnaire and collection of data from portion of subjects to accurately and objectively describe the existing phenomenon. The population for this study was the management staff of quoted food and beverage companies located in Lagos State - Nigeria. The total number was 138 as shown in (see Appendix 1). The researcher adopted a census approach to study the entire population.

Instrument of Data Collection

The instrument for data collection was structured questionnaire titled "Effect of Innovation and the performance of quoted Food and Beverage companies in Lagos State-Nigeria. The researcher developed the instrument from the research questions and objectives. The questionnaire (instrument) was divided into two (2) parts, A and B. part A was concern with personal information of the respondents, while part B of the questionnaire was concern with items on the study variables with a 5-point liker scale anchored on a continuum of Strongly Agree (SA=5), Agree (A=4), Undecided (UN=3), Disagree (D=2) and Strongly Disagree (SD=1).

Validation of the Instrument

The instrument used for data collection was subjected to content validation by two experts in the area of study. The experts examined and assessed all the items with regards whether the items conform with the subject matter they are supposed to measure or not, and to determine

whether the items were clear, readable and free from ambiguity.

Reliability of the Instrument

The reliability of the measurement scales, especially the scale's internal consistency has to be checked to ensure that the same underlying constructs are being measured, and this gives consistent results over several administrations. One of the most commonly used indicators of internal consistency is Cronbach's Alpha value, which should be above 0.7 (Hair et al; 2010). Accordingly, internal consistency (reliability) is assessed in the study by

computing Cronbach's Alpha values for the six (3) study variables. In this study, the scale reliability for each of the dimensions of innovation, namely: product innovation (PRDINN) and PRCINN all reported good internal consistency with Cronbach's Alpha values of 0.890 and 0.911 respectively. The aggregate reliability coefficient for three (3) study variable is 0.877 overpassing the required value of 0.7, and is considered as reliable. In sum, all the scales that used in the study were found to be internally consistent and acceptable.

Table 1: Results of Scale Reliability Testing

Variable	Cronbach's Alpha	Number of Items	Conclusion
Product Innovation	.890	5	<i>Reliable</i>
Process Innovation	.911	5	<i>Reliable</i>
Performance	.829	5	<i>Reliable</i>
Aggregate Reliability Coefficient	.877	15	<i>Reliable</i>

Source: SPSS version 22 Output, 2024.

Methods and Techniques of Data Collection

The primary data for this study was obtained through the administration of questionnaire to the management staff of the various companies in the study area. The data for the study was analysed using descriptive and inferential statistics. The data was analysed through the instrumentality of SPSS to facilitate necessary computations. Thus, this was called for the adoption of Multivariate Statistical Technique for examining the linear correlations between the predictor variables and the response variable. A multiple regression statistical technique was required for this study because a single predictor model was inadequate to describe the true relationship study between the dependent variable (performance) and its potential

predictors (PRDINN and PRCINN).

If the P-value is greater than 0.05 ($P > 0.05$), the null hypothesis (H_0) will be accepted.

However, if the P = value is less than 0.05 ($P < 0.05$) the null hypothesis (H_0) will be rejected and the alternative hypothesis (H_a) will be accepted.

Variable Specification / Model Specification

The independent variable in this study was innovation. Innovation as the independent variable was measured by it constructs of product innovation and process innovation. The dependent variable was performance, measured by non-financial variables such as quality of product and customer retention. These was measured using an instrument developed on a five point likert scales

measuring from Strongly Agree as response 5 to strongly disagree as response 1.

$$\text{PERF} = f(\text{PRDINN}, \text{PRCINN}) \quad - \quad - \quad - \quad (\text{i})$$

Where: PERF = Performance

PRDINN = Product innovation

PRCINN = Process innovation

The following model was employed for this study:

Thus, the regression form of the model was stated as follows:

$$\text{PERF} = b_0 + b_1 \text{PRDINN}_1 + b_2 \text{PRCINN}_2 + e \quad - \quad - \quad - \quad (\text{ii})$$

Where:

b_0 = is the constant or intercept

b_1 - b_2 = are parameter estimates

e = is the error components

A priori expectations were relevant for the research model:

$b_1 > 0$, $b_2 > 0$, $b_3 > 0$ and $b_4 > 0$.

It was estimated that the coefficients of the two explanatory variables (PRDINN, PRCINN) were greater than zero. That is, it was

expected that Product innovation (PRDINN), and Process innovation (PRCINN) would have a significant positive relationship with performance of quoted Food and Beverage companies in Lagos State-Nigeria.

Results and Discussion

Product innovation Dimension and performance of food and beverage companies

Lagos State

Table 2: Product innovation Dimension

Effect	N	Mean	Std. Deviation
Product innovation positively impacts sales growth	131	4.27	.777
Innovative food and beverage offerings attract customers	131	4.32	.611
Introduction of new products enhances brand image	131	4.31	.477
Continuous innovation is crucial for market leadership	131	4.42	.809
Regular product updates maintain customer interest	131	4.25	.743

Source: SPSS version 22 Output, 2024

Result in Table 2 shows that respondents agreed their firm's product innovation positively impacts sales

growth with mean value of 4.27, innovative food and beverage offerings attract customers with 4.32, introduction of new products enhances brand image

with mean value of 4.31, while, continuous innovation is crucial for market leadership with mean value of 4.42 and regular product updates maintain customer interest with mean

value of 4.25 respectively. This implies that product innovation has effect on the performance of food and beverage companies in Lagos State.

Process innovation Dimension and performance of food and beverage companies

Lagos State.

Table 3: Process innovation Dimension

Effect	N	Mean	Std. Deviation
Process innovation positively impacts operational efficiency in food and beverage companies	131	4.32	.550
Implementing process innovation leads to cost reduction in production processes.	131	4.24	.637
Process innovation enhances product quality and consistency in food and beverage manufacturing.	131	4.31	.674
Process innovation improves supply chain management in food and beverage companies	131	4.52	.603
Process innovation contribute to increase overall productivity within food and beverage operations	131	4.35	.620

Source: SPSS version 22 Output, 2024

Result in Table 3 shows that respondents agreed their firms process innovation positively impacts operational efficiency in food and beverage companies with mean value of 4.32, Implementing process innovation leads to cost reduction in production processes with 4.22, Process innovation enhances product quality and consistency in food and beverage manufacturing with mean value of 4.31, while, Process innovation

improves supply chain management in food and beverage companies with mean value of 4.52 and Process innovation contribute to increase overall productivity within food and beverage operations with 4.35 respectively. This implies that process innovation has effect on the performance of food and beverage companies in Lagos State.

Table 4: Performance measures

Effect	N	Mean	Std. Deviation
Innovation in food and beverage companies in Lagos State enhances product quality, leading to increased customer satisfaction and loyalty.	131	4.58	1.178

High product quality enhances brand reputation and consumer trust, leading to increased customer loyalty and repeat purchases for food and beverage companies operating in Lagos State	131	4.35	1.123
Continuous improvement in product quality through stringent quality control measures and adherence to food safety regulations is crucial for maintaining consumer confidence and market competitiveness in Lagos State.	131	3.85	1.379
Continuous innovation in packaging and presentation can improve the overall customer experience and encourage repeat purchases among consumers in Lagos State.	131	4.53	1.251
Customer retention is crucial for sustaining long-term success in the food and beverage industry in Lagos State, as loyal customers provide a steady revenue stream and often serve as brand advocates.	131	4.65	1.221

Source: SPSS version 22 Output, 2024

Result in Table 4 shows that respondents agreed innovation in food and beverage companies in Lagos State enhances product quality, leading to increased customer satisfaction and loyalty with mean value of 2.58, high product quality enhances brand reputation and consumer trust, leading to increased customer loyalty and repeat purchases for food and beverage companies operating in Lagos State with mean value of 2.35, Continuous improvement in product quality through stringent quality control measures and adherence to food safety regulations is crucial for maintaining consumer

confidence and market competitiveness in Lagos State with mean value of 3.85, while Continuous innovation in packaging and presentation can improve the overall customer experience and encourage repeat purchases among consumers in Lagos State with 2.53 and Customer retention is crucial for sustaining long-term success in the food and beverage industry in Lagos State, as loyal customers provide a steady revenue stream and often serve as brand advocates with mean value of 2.65. This implies that the respondents have agreed that due to the product and process innovation adopted by the companies, their performance has increased.

The model summary of the Regression Analysis is presented in Table 16

Table 5: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.610 ^a	.372	.369	.053

a. Predictors: (Constant), Product innovation, Process innovation

b. Dependent Variable: Performance

The result presented in table 5 shows R-square which is coefficient of determination tells us the variation in the dependent variable due to changes in the independent variables. From the result the R-squared was 0.372 which indicates that there was 37,2% variation in performance of Food and Beverage companies in Lagos State. The adjusted R square value (0.369) is calculated which takes into account the number of variable in the model and the number of observations the model is based on. This adjusted R square gives the most useful measure of the success of the model. It also gives us an idea of how well the model can be generalised which

means the closer it is to R square, the better. The difference between R square and adjusted R square indicates how much less variation in the outcome we would get if we use the entire population in the analysis, and not just the sample. In this research model, the difference between R square and adjusted R square is calculated to be 0.003 which was less than 0.05 level of significance. This implies that the model can be used to predict the dependent variable (performance), and the findings of the study can be generalised to every sample from the population.

Table 6: Coefficients^a

	Unstandardized Coefficients		Standardized Coefficients			Corrections		Collinearity Statistics		
	B	Std. Error		T	Sig.	Zero-order	Partial	Part	Tolerance	VIF
1(Constant)	11.547	2.406		5.214	0.000					
Product Innovation	0.512	0.076	0.514	6.637	0.001	0.550	0.523	0.619	0.929	1.05
Process Innovation	0.321	0.076	0.325	4.207	0.004	0.396	0.426	0.428	0.991	1.01

a. Dependent Variable: Performance

The result of regression coefficient in Table 6 shows that product innovation had a significant value of 0.001, process innovation had 0.004, respectively. The result indicates that the significant values of product innovation and process innovation were less than the P-value of 0.05 indicating that their variables were statistically significant in affecting performance of Food and Beverage companies in Lagos State. Also, the tolerance value factor (VIF) values in Table 6 showed that multi-collinearity does not present a challenge in this study. The tolerance values are a measure of the

correlation between the predictor variables and can vary between 0 and 1. For this model, all the tolerance values were high-ranging from 0.929 to 0.991 for product innovation to process innovation giving the researcher a good model.

Test of Hypotheses

Hypothesis one states that Product innovation has no significant effect on the performance of Food beverage companies in Lagos State, however, the regression coefficient result on table 6 show that product innovation is statistically significant ($B = 0.512$, $t =$

6.637, $p = 0.001 < 0.05$). This implies that product innovation has significant effect on performance of food and beverage companies in Lagos State. Therefore the hypothesis which states that product innovation has no significant effect on the performance of food and beverage companies in Lagos State is rejected.

Hypothesis two states that Process innovation has no significant effect on the performance of Food beverage companies in Lagos State, however, the regression coefficient result on table 18 show that process innovation is statistically significant ($B = 0.321$, $t = 4.207$, $p = 0.004 < 0.05$). This implies that process innovation has significant effect on the performance of food and beverage companies in Lagos State. Therefore the hypothesis which states that process innovation has no significant effect on the performance of food and beverage companies in Lagos State is rejected.

Discussion of findings

Hypothesis one: Finding indicates that there is a positive relationship between product innovation and organisational performance of food and beverage companies in Lagos State. This relationship is also significant (0.001) at 0.05 confidence level. This implies that product innovation contribute meaningfully in achieving the performance of organisation. This is in line with the study conducted by Sara and Dragana (2019) on product innovation, process innovation and export propensity: persistence, complementary and feedback effects in Spanish firms. The study explores the persistence of technological innovation and exports, their potential complementary relations and feedback effects which the result revealed that innovation has positive relationship with performance.

Hypothesis two: Finding indicates that there is a positive relationship between process innovation and organisational performance of food and beverage companies in Lagos State. This relationship is also significant (0.004) at 0.05 confidence level. This implies that process innovation contribute meaningfully in achieving the performance of organisation. This is in line with the study conducted by Isabel (2018) on process innovation: a surfing manufacturer case study. The result of the study revealed that process innovation has positive relationship with performance.

Conclusion and Recommendations

The study concludes that innovation dimensions have significant effect on organizational performance of food and beverage companies in Lagos State. This is a clear indication that product innovation, process innovation are the main factors that induce strong performance in food and beverage companies in Lagos State.

Based on the research findings the following recommendations were made:

The management of food and beverage companies should strive to place more emphasis on product and process innovation culture that is rewarding. This can be attain by giving appropriate incentive to staff inform of reward and celebration of success, promotion of teamwork and intranets that can help employees to share information that promote innovation and boost performance, creating conducive environment that allow staff to contribute freely to decision making process without victimisation as well as not penalising those who try new ideas that fail. The management should also

endeavour to invest in human capital development. This includes on-the-job and off-the-job training of staff to improve employees' skills on entrepreneurial dimension in order to enhance organisational performance.

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Appendix 1

Table 1: The Population for the Study

S/no	Name of Company	Date of incorporation	Companies Head Office Address	No. of management staff
1.	Cadbury Nigeria Plc	9/1/1965	LateefJakande way, Agidingbi, Ikeja. Lagos, Nigeria, P.O. Box 164, Ikeja. Lagos, Nigeria.	10
2.	Nestle Food Plc	25/9/1969	22-24, Industrial Avenue, Ilupeju, P.M.B. 21164, Ikeja, Lagos, Nigeria.	9
3.	Nigeria Breweries Plc.	16/11/1946	Nigeria Breweries Plc. Audited results 2014, 1 Abebe Village Road, Iganmu, P.O. Box 545, Lagos, Nigeria	15
4.	Unilever Nigeria Plc	11/4/1923	1, Billing Way, Oregun, Ilega. P.O. Box 1063, Ikeja, Lagos, Nigeria.	12
6.	Union Dicon Salt Plc.	12/11/1991	Kirikiri Lighter Terminal, Phase 2, Kirikiri, Lagos, Nigeria	10
7.	Dangote Flour Mills Plc.	6/1/2006	Terminal "E" Greenview Development Building, Apapa Wharf, Lagos, Nigeria.	8
8.	Flour Mills of Nigeria Plc.	29/9/1960	1, Golden Penny Place, Wharf Road, Apapa, Lagos.	16
9.	Dangote Sugar Refinery Plc.	4/1/2005	3 rd Floor, Gdni Building, Terminal "E", Shed 20, Npa Wharf Port Complex, Apapa, Lagos.	11
11.	Guinness NigPlc	29/4/1950	24 Oba Akran Avenue, Ikeja, Lagos	13
14.	Honeywell Flour Mills Plc.	21/6/1983	2 nd Gate by pass, Tin Can Island, Apapa, Lagos.	16
17.	Nigerian Enamelware Plc.	21/5/1960	18Wempco Road, Ogba, Ikeja, Lagos.	7
18.	PZ Cussons Nigeria Plc.	4/12/1948	45/47 Town Planning Way, Ilupeju, Lagos	11
	Total			138

Source: Fact Book 2020/2021