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Environmental Scanning and Organisational Performance in Unilever Nigeria PLC

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Abstract: The objective of the study is to evaluate the effect of environmental scanning on organizational performance in Unilever Nigeria Plc. Ikeja, Lagos. Data were collected from both primary and secondary sources. The study adopted survey research design and data were collected through a structured questionnaire from a sample size of 227 and also from the company's annual report from the period of 2012 to 2016. The demographic data collected were analyzed using frequency distribution and percentages. The findings revealed that internal environmental analyses affects consumer satisfaction and hence have a positive correlation as shown by the regression co-efficient (r)= .493, also it revealed that internal environmental analysis has significant impact on product quality and a positive correlation or relationship exist as it is revealed by the regression co-efficient (r)= .612 and the last hypothesis also revealed that relationship exist between external environmental analysis and profitability as shown by the regression co-efficient (r) = 0.914782. Based on this, the study concludes that environmental scanning has impact on non-financial organizational performance and however, it is recommended that organization should continuously, periodically scan and monitor the trends and changes in consumer satisfaction and incorporate changes in taste and preferences of consumers to reflect product quality as it may constitute opportunity and threats to the organization.

Keywords: Organizational Performance; Environmental scanning; Business environment; Profitability

JEL Classification: M

1 Introduction

It is evident that every business organisations do not and cannot exist in splendid isolation; they operate and interact with the inter-related and interdependent forces which exist in such environment. Businesses today are perturbed as they are facing several challenges and hence making it very difficult to survive in the turbulent environment. The symbiotic relationship, which exists between business entities and their environment, is no more a subject of controversy. It is axiomatic. Consequently, there is need for managers across the various business organizations to continually scan the environment so as to keep tab of development thereof as a means of survival (Onodugo & Ewurum, 2013). Environmental scanning or audit has assumed a heightened dimension lately. This is as a result of increased spate of environmental changes which has become so frequent that it is so fatal to ignore. This has exacerbated the need and demand for updated information for decision making (Popoola, 2000). The increased complexity of business milieu has exposed firms to hypercompetitive or high-

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velocity environment (D'Aveni, 1994; Brown & Eisenhardt, 1997). Globalization is one of the factors that have altered tremendously the texture of global business environment. In particular, it has sharpened competition and factors driving it. These factors are falling trade barriers, fast paced technological advances, declining communications and transport costs, international migration and highly mobile investment (Badrinath & Wignaraja, 2004). The implication is that the world has turned into a global village and nations are now benchmarked in the light of international standard and global indices. Multinational corporations and venture capitalists move investment to the regions where resource inputs are cheaper and where the business environment is more genial (Onodugo & Ewurum, 2013).

Enterprises are subsumed in the environment with which they interact by importing inputs and exporting outputs. Thus, the vagaries and the extremities of the environment affect the fortunes of organizations (Kennerly & Nelly, 2003). Considering that performance is crucial objective of an organization, it is generally accepted that the structure and decision making in an organization is influenced by environmental complexity and volatility (Miles & Snow, 1978; May, Stewart, & Sweo, 2000).

Despite the results of researchers on environmental scanning, there seems much to be explored regarding the extent of the relationship between environmental scanning and the organizational performance. Prior studies on business environmental scanning and performance had focus basically on the problem of what variables should be used to measure scanning activities and also on the aspect of financial performance (quantitative contribution) such as increase in profitability, return on capital and net profit margin etc., but less of the researchers have taken cognizance of the qualitative performance of the business such as consumers and customer satisfaction or loyalty, operation efficiency, employees turnover, perceived quality, organizational growth and also on the product market performance such as sales and market share. As a result, there is a need to develop a refined model presenting a clearly defined environmental scanning process, paying equal attention to all its steps while investigating the impact of environmental uncertainty, and showing the indirect contribution of environmental scanning on qualitative organizational performance. This area of qualitative or non- financial business performance tends to be the most critical and sensitive area of business because it plays a significant role in determining the survival of an organization.The above mentioned or stated problems have provided the rationale for conducting this research on the impact of strategic environmental scanning on organizational performance in the Nigerian business environment.

The broad objective of the study is to evaluate the effect of environmental scanning on organizational performance in Unilever Nigeria Plc. Ikeja, Lagos and to determine the effect of external environmental analysis on profitability. The following hypotheses were formulated and tested in the null form.

Ho1: Internal environmental analysis does not affect consumers' satisfaction.

Ho2: Internal environmental analysis does not have impact on product quality.

Ho3: External environmental analysis does not affect organisational profitability.

2. Literature Review

Concept of Strategic Environmental Scanning

Effective discussion of the conceptual issues in strategic environmental scanning can only proceed by first looking at the meaning of the key concepts used in this Paper. The two key operative words are: Environment and Scanning. We shall define each concept and merge them by way of synthesis. Environment in the literature is a term used to capture certain factors or forces which are outside the control of an organization, but which such an organization must react and respond to if it must survive and realize goals it has set for itself (Koontz, O'Donnell, & Weihrich, 1980; Onodugo, 2000). Scanning, which is the next operative word simply means careful examination of an area with a view to seeking out a person or a thing in that area. Put together, Environmental scanning is the process of monitoring and analyzing the business environment of a company. Environmental scanning simply means a careful examination of the environment with a view to identifying opportunities to maximize and minimizing threats along the lines dictated by missions and goals of a particular business. Wheelen and Hunger (2000) define scanning as the monitoring, evaluating and dissemination of information from the external environment to key people within the corporation. It is important to reiterate that this exercise must be done on continual basis so as to keep track of changes in the environment. Environmental scanning is the monitoring, evaluating, and disseminating of information from the external and internal environment to key people within the corporation or organization (Kazmi, 2008). Environmental scanning also is the process of gathering, analyzing, and dispensing information for tactical or strategic purposes. The environmental scanning process entails obtaining both factual and subjective information on the business environments in which a company is operating or considering entering.

Environment creates both problems and opportunities for organization. Organization depends on the environment for scarce and valued resources, and organization often must cope with unstable and unpredictable external and internal events. The environment itself perhaps, more than any other factor, affect organizational structure, internal processes and managerial decision making. From an information processing perspective, the environment is important because it create uncertainty for manager. Environmental uncertainty increases information processing within organization because managers must identify opportunities, detect threats, interpret problem areas and implement strategic or structural adaptation (Hambrick, 1982). One means of competing for policy and the decision maker is to acquire superior information about the environment opportunities and threats which depend on management's perception of signal that other organizations missed Dulton `& freeman (as cited in Ojo, 2008).

Concept of Business Environment

Every business organization operates in an environment that transcends its official boundaries. Organization's environment can be defined as all the forces and conditions within and outside the organization that affect the organization in it day-to-day activities.

Meanwhile, the environment of a business is a highly dynamic, complex and competitive one. The forces a business is to contend with are varied as they are continually changing. Thus managers must take into account the influence of the environmental forces that can affect the performance of their organizations. They must have sufficient knowledge to be able to identify, evaluate and cope with environmental forces that may affect the operations of their organizations. A thorough understanding

and analysis of the business environment by managers will enable the business to cope with the changing forces within the environment.

To adequately understand organizational environment, we must borrow some concepts from "System Theory". One of the basic assumptions of the system theory is that organizations are neither self-sufficient nor self-contained. Rather, they exchange resources with and are depended upon the external environment, which is defined as all elements outside an organization that are relevant to the physical operations (some of the elements connect the organization to the physical world) (Stoner, Freeman & Gilbert, 2004). Organization take 'input' i.e. raw materials, money, labor and energy from the external environment, transform them into products and / or services and then send them back as 'outputs' to the external environment.

The Internal Environment

The internal environment refers to all the factors within an organization which imparts strengths or cause weaknesses of a strategic nature. The environment in which an organization exists can, therefore, be described in terms of the opportunities and threats operating in the external environment apart from the strength and weaknesses existing in the internal environment. There are a number of internal factors which influence the strategy and other decisions (Ilesanmi, 2012). .

The External Environment

The external environment refers to all relevant forces and conditions outside the organization's boundaries that affect it activities. The external environment has both direct-action and indirect-action elements, also called shareholder including shareholders union, suppliers and many others who directly influence an organization. Indirect action elements; such as the technology, economy, and politics of a society, affects the climate in which an organization operate and have potential to become direct element (Ilesanmi, 2012).

3. Methodology

This study adopts a survey research design, which focuses on the consumers of Unilever Nigeria Plc. manufacturer of household and personal care products. According to Osuala (1987) survey research studies both large and small population by selecting and studying samples chosen from the population to discover the relative incidence, distribution and interrelations of sociological, economic, psychological, political, geographical and business variables.

The population of the study are the consumers of Unilever Nigeria Plc. Lagos. But in this study, the total number of consumers that make up the study population is large and undeterminable; this therefore necessitates the sampling techniques and sample determination used below.

It is not possible to study the entire population of consumers of Unilever Nigeria Plc. as a result of the undeterminable size of the population. However, the simple random sampling was adopted and the researcher therefore determine the sample size used from the population of consumers which is not known. However, the Godden (2004) formula was used to calculate the sample size as shown below:

$$n = \frac{Z^2 x P\ (1-P)}{M^2}$$

Where n = sample size for infinite population
Z = desired confidence interval 90% (1.645)

P = population proportion (expressed as decimal) (assumed to be 0.3 (30%)
M = Margin of Error at 5% (0.05)
Where n =?

$$P = 0.3 = 30\%$$

$$Z = 1.645 = 0.9 \text{ or } 90\%$$

$$M = 0.05$$

$$n = \frac{(1.645)^2 \times 0.3 \times 0.7}{(0.05)^2}$$

$$n = \frac{2.7060 \times 0.21}{0.0025}$$

$$n = \frac{0.56826}{0.0025} = 227.304$$

$$n = 227$$

Method of Data Collection and Research Instrument

This study obtains information through the primary and secondary source. The questionnaire was used as an instrument of data collection. And also data was obtained from the annual report of Unilever Nigeria Plc (2012 – 2016)

Model Specification

$Y = a + bx + u$
Y = (Dependent variable) = Organisation performance
a = constant
bx = (independent Variable) = Environmental scanning
u = statistic Error Term
Hence
$Y = (y_1, y_2, y_3)$
$bx = (x_1, x_2)$
Where:
y_1 = Consumer satisfaction
y_2 = Product quality
y_3 = Profit after tax
x_1 = Internal environmental analysis
x_2 = External environmental analysis

4. Results and Discussion

Test of Hypotheses.

Research Hypothesis One: Internal environmental analysis does not have impact on consumer's satisfaction. In other to empirically test the above hypothesis, the model below was formulated to depict the relationship that exists between the independent and the dependent variable of the study.

$CSS = \beta_0 + \beta_1 IEA1 + \beta_2 IEA2 + \beta_3 IEA3 + \beta_4 IEA4 + \beta_5 IEA5 + \beta_6 IEA6 + \beta_7 IEA7 + \beta_8 IEA8 + \beta_9 IEA9 + \beta_{10} IEA10 + \beta_{11} IEA11 + \varepsilon$

Where; CSS = Consumer Satisfaction
IEA = Internal Environmental Analysis
IEA1 = Environmental scanning is responsible for effective organization performance.
IEA2 = Internal environmental analysis contributes positively to consumers' satisfaction.
IEA3 = The firm prices and cost does have an appealing consumer value propositions.
IEA4 = Competitive pressure and industry driving forces does not outwit the organization.
IEA5 = Rating the firm among others, the firm is said to have the best brand name coupled with good image and reputation
IEA6 = The firm is competitively stronger than its key rival in terms of product quality.
IEA7 = The firm prices and cost are competitively good when compared with that of key rivals.
IEA8 = The firm should introduce innovative reward system.
IEA9 = Being able to identify and manage various internal factors in the environment has given your organization a competitive edge in the industry.
IEA10 = The firm should introduce participative problem solving.
IEA11 = Trends in the economic part of the society can have an obvious impact on business activity.

Table (i): A Summary of the Multiple Regression Analysis of the Interactive Relationship between Internal Environmental Analysis and Consumer Satisfaction.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.493[a]	.243	.204	.67496

Predictors: (Constant), IEA11, IEA2, IEA5, IEA4, IEA9, IEA7, IEA1, IEA3, IEA10, IEA8, IEA6
Dependent Variable: CSS

Source: Authors computation using E views (2022).

Table (i): reveals a correlation co-efficient which is denoted by R = 0.493 and this indicate a positive linear relationship between the dependent variable and the independent variable, the R2value = (0.243) value from the table is the co-efficient of determination which is used in explaining percentage of variation in the dependent variable that is explain by the independent variable. This shows that internal environmental analysis variables have very weak impact on consumer satisfaction. Thus this model is predicting 24.3% of the variance in consumer satisfaction pooling all predictors together simultaneously; meaning that 24.3% of the variance in consumer satisfaction can be predicted by the internal environmental analysis variables captured in the model from the selected organization while the remaining 75.5% are accounted for by other variables that are not included in the model.

Table (ii): Multiple Regression Analysis Showing Significance of Predictors on consumers satisfaction

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	31.443	11	2.858	6.274	.000[b]
Residual	97.949	215	.456		
Total	129.392	226			

Dependent Variable: CSS
Predictors: (Constant), IEA11, IEA2, IEA5, IEA4, IEA9, IEA7, IEA1, IEA3, IEA10, IEA8, IEA6
Source: Authors computation using E views (2022)

Table (ii): shows that internal environmental analysis variables used in the selected organisation significantly predicted the level of consumers satisfaction**,** F (11, 215) = 6.274, p < 0.05.**F** –Statistics indicates that the overall regression model is highly statistically significant in terms of its goodness of fit since the value of F_{tab} (11, 215) >F_{cal} (6.274).

Table (iii). Contributions of each Predictors on Consumer Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.151	.360		3.195	.002
	IEA1	.123	.060	.143	2.056	.041
	IEA2	.096	.056	.115	1.708	.089
	IEA3	.023	.061	.026	.378	.706
	IEA4	.037	.052	.048	.714	.476
	IEA5	.012	.061	.013	.194	.846
	IEA6	.040	.054	.054	.739	.461
	IEA7	.093	.054	.123	1.715	.088
	IEA8	.037	.058	.045	.630	.529
	IEA9	.029	.056	.036	.528	.598
	IEA10	.068	.054	.090	1.271	.205
	IEA11	.100	.052	.130	1.908	.058

a. Dependent Variable: CSS

Table (iii) shows the contribution of each of the predictors. In this case, the constant intercept of 1.151 explains that when all the independent variables are zero, the dependent variable, consumer satisfaction (CSS) will increase by the value 1.151. Environmental scanning is responsible for effective organization performance (IEA1) has the highest positive contribution with Beta = .143, p < .05 and t-value = 2.056. Internal environmental analysis contributes positively to consumers' satisfaction (IEA2) has a positive impact with Beta = .115, p > .05 and t-value = 1.708. The firm prices and cost does have an appealing consumer value propositions (IEA3) has a positive impact with Beta = .026, p > .05 and t-value = .378. Competitive pressure and industry driving forces does not outwit the organization (IEA4) has a positive impact with Beta = .048, p > .05 and t-value = .714.

Rating the firm among others, the firm is said to have the best brand name coupled with good image and reputation (IEA5) has a positive impact with Beta = .013, p > .05 and t-value = .194.The firm is competitively stronger than its key rival in terms of product quality (IEA6) has a positive impact with Beta = .054, p > .05 and t-value = .739.The firm prices and cost are competitively good when compared with that of key rivals (IEA7) has a positive impact with Beta = .123, p > .05 and t-value = 1.715. The firm should introduce innovative reward system (IEA8) has a positive impact with Beta = .045, p > .05 and t-value = .630. Being able to identify and manage various internal factors in the environment has given your organization a competitive edge in the industry (IEA9) has a positive

impact with Beta = .036, p > .05 and t-value = .528. The firm should introduce participative problem solving (IEA10) has a positive impact with Beta = .090, p > .05 and t-value = 1.271. Trends in the economic part of the society can have an obvious impact on business activity (IEA11) has a positive impact with Beta = .130, p > .05 and t-value = 1.908. .From the p values, Environmental scanning is responsible for effective organization performance (IEA1) and the constant intercept all have significant impact on the dependent variable (consumer satisfaction) because their respective P values are lesser than 0.05 while Internal environmental analysis contributes positively to consumers' satisfaction (IEA2), the firm prices and cost does have an appealing consumer value propositions (IEA3), competitive pressure and industry driving forces does not outwit the organization, rating the firm among others(IEA4), the firm is said to have the best brand name coupled with good image and reputation(IEA5), the firm is competitively stronger than its key rival in terms of product quality (IEA6), the firm prices and cost are competitively good when compared with that of key rivals(IEA7), the firm should introduce innovative reward system(IEA8), being able to identify and manage various internal factors in the environment has given your organization a competitive edge in the industry (IEA9), the firm should introduce participative problem solving(IEA10), trends in the economic part of the society can have an obvious impact on business activity (IEA11) all have an insignificant impact on the dependent variable (consumer satisfaction) because their respective P values are greater than 0.05. The resulting prediction equation was CSS = $\beta_{01.511} + \beta_1.123 + \beta_2.096 + \beta_3.023 + \beta_4.037 + \beta_5.012 + \beta_6.040 + \beta_7.093 + \beta_8.037 + \beta_9.029 + \beta_{10}.068 + \beta_{11}.100 + \varepsilon$

Based on the above results, since alpha –value (0.05) is greater than P-value (0.000) the null hypothesis is rejected and the study concludes that internal environmental analysis does have a significant impact consumer satisfaction in the selected organization.

The finding of this study revealed a significant relationship between internal environmental analysis and consumer satisfaction; this is in line with the findings of Kumar, Subramanian and Strandholm, (2001) who asked participants for the assessment of their organization's performance on various measures. Similarly, it is in line with the study of Garg, Walters, and Priem, (2003) that required the CEOs to report their best subjective estimates of performance compared to similar firms in their industry on a 5-point scale for after tax return on total sales/assets, sales growth and overall performance/success. This however, indicates that environmental scanning affect organizational performance.

Research Hypothesis Two: Internal environmental analysis does not have impact on product quality**.**

In other to empirically test the above hypothesis, the model below was formulated to depict the relationship that exists between the independent and the dependent variable of the study.

$PQS = \beta_0 + \beta_1IEA1 + \beta_2IEA2 + \beta_3IEA3 + \beta_4IEA4 + \beta_5IEA5 + \beta_6IEA6 + \beta_7IEA7 + \beta_8IEA8 + \beta_9IEA9 + \beta_{10}IEA10 + \beta_{11}IEA11 + \varepsilon$

Where; PQS = Product Quality

IEA = Internal Environmental Analysis

IEA1 = Environmental scanning is responsible for effective organization performance.

IEA2 = Internal environmental analysis contributes positively to consumers' satisfaction.

IEA3 = The firm prices and cost does have an appealing consumer value propositions.

IEA4 = Competitive pressure and industry driving forces does not outwit the organization.

IEA5 = Rating the firm among others, the firm is said to have the best brand name coupled with good image and reputation

IEA6 = The firm is competitively stronger than its key rival in terms of product quality.

Table (iv). Correlation co-efficient

IEA7 = The firm prices and cost are competitively good when compare	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.612[a]	.374	.342	.49385

Source: Authors computation using E views (2022)

a. Predictors: (Constant), IEA11, IEA2, IEA5, IEA4, IEA9, IEA7, IEA1, IEA3, IEA10, IEA8, IEA6

b. Dependent Variable: PQS

Table (iv) reveals a correlation co-efficient which is denoted by R = 0.612 however this indicates a positive linear relationship between the dependent variable (product quality) and the independent variable (internal environmental analysis), the R^2value = (0.374) which is the co-efficient of determination which is used in explaining percentage of variation in the variable that is explained by the independent variable. This shows that internal environmental analysis variables have weak impact on consumer satisfaction. Thus, this model is predicting 37.4% of the variance in product quality pooling all predictors together simultaneously; meaning that 37.4% of the variance in product quality can be predicted by the internal environmental analysis variables captured in the model from the selected organization while the remaining 62.6% are accounted for by other variables that are not included in the model. Also, the R^2 value after adjustment was 0.342 which explains that the model is not highly fit.

Table (v). Multiple Regression Analysis Showing Significance of Predictors on Product Quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.367	11	2.852	11.692	.000[b]
	Residual	52.435	215	.244		
	Total	83.803	226			

a. Dependent Variable: PQS

b. Predictors: (Constant), IEA11, IEA2, IEA5, IEA4, IEA9, IEA7, IEA1, IEA3, IEA10, IEA8, IEA6

Source: Authors computation using E views (2022)

Table (v) shows that internal environmental analysis variables used in the selected organization significantly predicted the level of product quality**,** F (11, 215) = 11.692, p < 0.05 **F** – statistical indicates that the overall regression model is highly statistically significant in terms of its goodness of fit since the value of F_{tab} (11, 215) >F_{cal} (11.692).

Table (vi).

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.517	.264		5.758	.000
	IEA1	.076	.044	.110	1.731	.085
	IEA2	.048	.041	.071	1.157	.249
	IEA3	.016	.045	.023	.364	.716
	IEA4	.089	.038	.144	2.340	.020
	IEA5	.027	.045	.037	.610	.543
	IEA6	.079	.040	.132	1.977	.049
	IEA7	.069	.039	.114	1.749	.082
	IEA8	.068	.042	.105	1.602	.111
	IEA9	-.012	.041	-.019	-.302	.763
	IEA10	.127	.039	.208	3.244	.001
	IEA11	.053	.038	.086	1.384	.168

a. Dependent Variable: PQS

Source: Authors computation using E views 2022

Table (vi) shows the contribution of each of the predictors. In this case, the constant intercept of 1.517 explains that when all the independent variables are zero, the dependent variable, product quality (PQS) will increase by the value 1.517.The firm should introduce participative problem solving (IEA10) has the highest positive contribution with Beta =.208, $p < .05$ and t-value = 3.244.Being able to identify and manage various internal factors in the environment has given your organization a competitive edge in the industry (IEA9) has a negative contribution with Beta = -.019, $p > 0.5$ and t-value = -.302.

Environmental scanning is responsible for effective organization performance (IEA1) has a positive impact with Beta = .110, $p > .05$ and t-value = 1.731. Internal environmental analysis contributes positively to consumers' satisfaction. (IEA2) has a positive impact with Beta = .071, $p > .05$ and t-value = 1.157. The firm prices and cost does have an appealing consumer value propositions (IEA3) has a positive impact with Beta = .023, $p > .05$ and t-value = .364. Competitive pressure and industry driving forces does not outwit the organization (IEA4) has a positive impact with Beta = .144, $p < .05$ and t-value = 2.340.Rating the firm among others, the firm is said to have the best brand name coupled with good image and reputation (IEA5) has a positive impact with Beta = .037, $p > .05$ and t-value = .610.The firm is competitively stronger than its key rival in terms of product quality (IEA6) has a positive impact with Beta = .132, $p < .05$ and t-value = 1.977.The firm prices and cost are competitively good when compared with that of key rivals (IEA7) has a positive impact with Beta = .114, $p > .05$ and t-value = 1.749. The firm should introduce innovative reward system (IEA8) has a positive impact with Beta = .105, $p > .05$ and t-value = 1.602. Trends in the economic part of the society can have an obvious impact on business activity (IEA11) has a positive impact with Beta = .086, $p > .05$ and t-value = 1.384.From the p values, we deduced that Competitive pressure and industry driving forces does not outwit the organization (IEA4), The firm is competitively stronger than its key rival in terms of product quality (IEA6), The firm should introduce participative problem solving (IEA10) and the constant intercept all have significant impact on the dependent variable(Product Quality) because their respective P values are lesser than 0.05 while Environmental scanning is responsible for effective organization performance (IEA1), Internal environmental analysis contributes positively to consumers' satisfaction. (IEA2), The firm prices and cost does have an appealing consumer value propositions (IEA3), Rating the firm among others, the firm

is said to have the best brand name coupled with good image and reputation (IEA5), The firm prices and cost are competitively good when compared with that of key rivals (IEA7), The firm should introduce innovative reward system (IEA8), Being able to identify and manage various internal factors in the environment has given your organization a competitive edge in the industry (IEA9) and Trends in the economic part of the society can have an obvious impact on business activity (IEA11) all have insignificant impact on the dependent variable(product quality) because their respective P values are greater than 0.05.

The resulting prediction equation was:

$PQS = \beta_{01.517} + \beta_1.076 + \beta_2.048 + \beta_3.016 + \beta_4.089 + \beta_5.027 + \beta_6.079 + \beta_7.069 + \beta_8.068 - \beta_9.012 + \beta_{10}.127 + \beta_{11}.053 + \varepsilon$

Based on the above results, since alpha –value (0.05) is greater than P-value (0.000) the null hypothesis is rejected and the study concludes that internal environmental analysis does have a significant impact on product quality in the selected organization. The finding of this study revealed a significant relationship between internal environmental analysis and product quality; this is in line with the findings of Strandholm and Kumar (2003) which included efficiency (per employee/patient expenditure) and effectiveness (capacity utilization of hospital facilities) as performance measures while investigating hospitals' environmental scanning activities. Also it is in line with the study of Ngamkroeckjoti and Speece (2008) that used customer acceptance as one factor to evaluate new product performance. This however, indicates that environmental scanning affect organizational performance.

Research Hypothesis Three: External environmental analysis does not affect organization profit after tax

Table (vii). Regression analysis for effect of external environmental analysis on profit after tax

Dependent Variable: PAT
Method: Least Squares
Date: 09/17/17 Time: 17:20
Sample: 2012 2016
Included observations: 5

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.22E+09	1.42E+09	0.858617	0.4810
TAX	1.782932	0.403086	4.423206	0.0475

R-squared	0.914782	Mean dependent var	3.42E+09
Adjusted R-squared	0.829564	S.D. dependent var	1.79E+09
S.E. of regression	7.37E+08	Akaike info criterion	43.95908
Sum squared resid	1.09E+18	Schwarz criterion	43.72474
Log likelihood	-106.8977	Hannan-Quinn criter.	43.33014
F-statistic	10.73464	Durbin-Watson stat	3.164595
Prob(F-statistic)	0.045218		

PAT=β_0 +β_1TAX +U_t
PAT= 1220000000 + 1.782932**TAX**
Std.Error = (1420000000) (0.403086) (0.053279)
t-Statistic = (0.858617) (4.423206) (-0.188035)
Prob= (0.4810) (0.0475) (0.8682)

Source: Authors computation using E views (2022)

From the table (vii), the interpretation of the result as regard the coefficient of various regressors is stated as follows: The value of the intercept at 1220000000 shows that Unilever Nigeria Plc. will experience a 1220000000 increase in Profit after tax (PAT) when all the independent variables are zero. The coefficient of the variables in the estimated model shows that there is a positive effect between Profit after tax (PAT) and taxation TAX). The estimate coefficients which are 1.782932 (TAX**)** shows that a unit change in taxation (TAX) (1% increase in taxation) will cause 1.782932 increase in Profit after tax (PAT). Also note that taxation (TAX) has significant effects on profit after tax (PAT) because its probability value is less than 0.05 while that of the constant intercept have insignificant effects on profit after tax (PAT) as it probability values is less than 0.05.

The R-squared of 91.4782% shows that the model has a very high coefficient of determination. The R-squared reports that the independent variables, Taxation (TAX) can explain about 91.4782% of total variation in Profit after tax (PAT), the remaining 8.5218% variation in Profit after tax are not accounted for in the model or rather accounted for by other variables outside the model. The fitness of every regression result is based on its R-squared. The adjusted R-squared shows that asymptotically, the variables can explain approximately 82.9564% of total variation. The implication of this is that the model is of good fit.

The test for the presence of autocorrelation as represented by the Durbin Watson statistics was found to be outside the normal bound at 3.164595 which is greater than 2, which is an indication of the presence of negative autocorrelation. Hence, the null hypothesis is accepted, and the study concludes that there is significant impact of external environmental analysis on profitability of the selected organization. This is in line the study of Wheelen and Hunger (2000) which asserts that a positive relationship exists between environmental scanning and profitability.

5. Conclusion and Recommendations

The organization's effective and efficient growth depends on the kind of environment in which it operates either directly or indirectly. Having sampled the opinion of various consumers of the company as far as this research is concerned, it should be noted that the environment should be flexible and directed towards the organizational achievement of goals and organization objectives. It should be more than a target, against which performance is routinely assessed, in viable and vibrant plan for success of the organization. Conclusively, management needs to take into cognizance the environmental dynamism and uncertainty in adopting strategy. However, the study concludes that strategic environmental scanning does have impact on organizational performance as revealed by the various results of hypotheses tested. The individual findings of the various tested hypotheses are as follows. Research *Objective 1* revealed all the various scanning activities of the company as opined by the consumers of the company reflecting on their satisfaction and by assessing the product quality. That is, strategic environmental scanning to some extent affects the level of consumer satisfaction and product quality. *Hypothesis 1* revealed that there exists an impact of the independent variable (internal environmental analysis) on the dependent variable (consumer satisfaction), it shows this at sig = .000, which implied that there is relationship between internal environmental analysis and consumer satisfaction. *Hypothesis* 2 revealed that there exists an impact of the independent variable (internal environmental analysis) on the dependent variable (product quality), it shows this at sig = .000, which implied that there exists an impact internal environmental analysis on product quality. *Hypothesis* 3

revealed that external environmental analysis does not have impact on profitability, it shows this at f stat = 0.085218.

The management needs to thoroughly and strategically scan the environment at which it operates before commencement of operation and also periodically scan the environment when the operation has begun. In view of this, the researcher can rightly conclude that, provided organization can strategically, periodically, and always involve in strategic environmental scanning and pay strong attention to the threats (so as to avoid) and opportunities (so as to seize) in the environment, the level of such organization's performance will be very high and good in all ramifications.

This research work aims at proffering lasting solutions to the generated problems most especially from within and outside the environment of business. However, the researcher recommends that: The organization should endeavor to orientate it stakeholders on the usefulness of the scanning activities so they can divulge useful information that can further lead to more satisfaction and development of quality product. Since the environment is an indispensable tool in management, it should not be taken with kids' glove as it can influence the organization in achieving its stipulated objectives from time to time. Manager must be abreast of the development in trends and changes in the level of consumers' satisfaction. The level of technology and development must be monitored to reflect improvement in product quality. Information gathered from the scanning activities should be properly communicated to reflect a viable strategy that can assist them to achieve their stated objectives. The scanning activities should be periodically done, and organization must consider the aspect of consumer and or customer satisfaction a paramount area for scanning.

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