

# Dynamic Capabilities and Strategic Renewal of Food, Beverage and Tobacco Companies in Rivers State

Leesi G. Gborogbosi<sup>1</sup> and B. Chima Onuoha<sup>2</sup>

<sup>1</sup> Doctoral Student, Department of Management, University of Port Harcourt

<sup>2</sup> Professor of Management, Department of Management, University of Port Harcourt

**Abstract:** *The study investigated the relationship between dynamic capabilities and strategic renewal of food, beverage, and tobacco companies in Rivers State. A cross-sectional research design was adopted in the study. The study's population consisted of 76 respondents from 19 food, beverage, and tobacco companies in Rivers State, which was determined using the census method. Data was gathered through a questionnaire. The Pearson coefficient was used for the data analysis. The outcome demonstrates that strategic renewal significantly relates to dynamic capabilities. Consequently, the study concludes that dynamic capabilities are closely tied to strategic renewal of food, beverage, and tobacco companies in Rivers State. The study recommended that Management should actively monitor market trends and shifts in consumer preferences. Recognize changes early to adapt their strategies which enhance their flexibility. By proactively pursuing new market opportunities, managers should align their resources to meet demand as this approach boosts adaptability and increases the chances of success in a competitive landscape. Management should be willing to adjust their resource allocations as necessary as this helps them maintain relevance and achieve a competitive advantage in changing environments. Management should encourage a culture of adaptability within the organization by preparing teams to respond effectively to unforeseen challenges and market shifts. Finally, Management should develop dynamic capabilities, in order to enhance long-term survival in a volatile market.*

**Keywords:** Dynamic Capabilities, Strategic Renewal, Sensing Changes, Sensing Opportunities, Resource Configuration, Adaptability, Survival.

## 1.0 Introduction

Strategic renewal is crucial for organizations to maintain adaptability and ensure survival in dynamic and competitive environments. It involves continuous adaptation and evolution in response to internal and external changes, enabling long-term relevance and competitiveness. Key activities include diversifying product lines, expanding into new markets, innovating organizational structures, and developing new business models (Micheli et al., 2020; Warner & Wäger, 2019). These actions are essential for responding effectively to changing market conditions, technological advancements, and regulatory shifts. Chakravarty and Gargiulo (1998) highlight that strategic renewal is critical for sustaining enduring survival. This process involves the continuous reassessment and realignment of an organization's strategies, structures, and operations. Organizational adaptability, is the capacity to modify strategies and operations in response to changing conditions, is vital for maintaining competitive advantage and achieving long-term success (Teece, 2007). In the context of Rivers State, Nigeria, the food, beverage, and tobacco industry plays a significant role in the economy, contributing to employment, local agricultural development, and revenue generation (Adeniyi, 2017; Oghogho & Okonmah, 2013). Companies within this sector face a highly dynamic environment characterized by rapid technological advancements, regulatory changes, and shifting consumer preferences. To navigate these challenges, the companies must actively undertake strategic renewal to maintain competitive edge because dynamic capabilities play a pivotal role in the strategic renewal process.

According to Teece (2007), a company's capacity to build, combine, and restructure its internal and external competences in response to quickly changing circumstances is referred to as its dynamic capabilities. These competencies facilitate the perception of market changes, the grasping of fresh prospects, and the reallocation of resources and procedures to conform to new developments and legal requirements. For food, beverage, and tobacco companies in Rivers State, dynamic capabilities are essential for maintaining competitiveness and long-term growth, allowing them to navigate the complexities of their operating environment effectively. Existing studies have highlighted the general benefits of dynamic capabilities in facilitating strategic renewal. Still, few have delved into the specific mechanisms through which these capabilities influence strategic renewal. By examining the effects of dynamic capabilities on the sector's strategy renewal processes, this research seeks to close this gap.

## Statement of the Problem

The problem is that inadequate dynamic capabilities in food, beverage, and tobacco companies hinder their strategic renewal, compromising their ability to adapt and survive in an ever-changing market environment. Due to weak strategic renewal, this industry in Rivers State, Nigeria, faces significant challenges in adapting and surviving amidst rapid shifts in consumer preferences, technological advancements, and regulatory constraints. Many businesses struggle to remain competitive and face jeopardized market survival due to their inability to renew strategies effectively (Warner & Wäger, 2019; Micheli et al., 2020). The failure to seize new opportunities has led to performance stagnation and decline ((Adeniyi, 2017; Oghogho & Okonmah, 2013).

Thus, this study seeks to appraise the association between dynamic capabilities and strategic renewal in Rivers State's food, beverage, and tobacco companies to address the problem of poor strategic renewal.

Evaluation is made on the connection between dynamic capabilities and strategic renewal of food, beverage and tobacco firms in Rivers State. The intentions of this study are to:

1. Establish the relationship between sensing changes and adaptability
2. Determine the relationship between sensing changes and survival
3. Examine the relationship between seizing opportunities and adaptability
4. Investigate the relationship between seizing opportunities and survival
5. Establish the relationship between resource configurations and adaptability
6. Examine the relationship between resource configurations and survival

### Research Questions

1. What is the relationship between sensing changes and adaptability?
2. How does sensing changes relate with survival?
3. What is the relationship between seizing opportunities and adaptability?
4. How does seizing opportunities relate with survival?
5. What is the relationship between resource configurations and adaptability?
6. How does resource configurations and survival?

### Research Hypotheses

**Ho1:** There is no significant relationship between sensing changes and adaptability.

**Ho2:** Sensing changes does not have any significant relationship with survival.

**Ho3:** There is no significant relationship between seizing opportunities and adaptability.

**Ho4:** Seizing opportunities does not have any significant relationship with survival.

**Ho5:** There is no significant relationship between resource configurations and adaptability.

**Ho6:** Resource configurations does not have any significant relationship with survival.

### 2.0 Literature Review Theoretical Framework

The theories adopted in this research are on resource-based view and dynamic capabilities.

## Resource-Based View (RBV) Theory

This theory places a strong emphasis on the role that a company's internal assets and competencies play in creating and maintaining a competitive advantage. Barney (1991) asserts that a company's distinct resources—such as its possessions, personnel, and organisational procedures—are essential to preserving a competitive advantage. The application of RBV Theory to the food, beverage, and tobacco industries in Rivers State, Nigeria, facilitates an analysis of the ways in which these businesses' unique resources support their attempts at strategy renewal and long-term competitiveness.

## Dynamic Capabilities Theory

Theory builds on RBV by focusing on a firm's ability to adapt and reconfigure its resources to respond to rapidly changing environments (Teece, 2007). This theory, as articulated by Teece (2007), highlights the processes of sensing opportunities, seizing them, and transforming the organization to maintain competitiveness. It is particularly relevant for understanding how food, beverage, and tobacco companies in Rivers State can develop dynamic capabilities to effectively manage strategic renewal amidst market volatility and technological advancements.

## Conceptual Framework

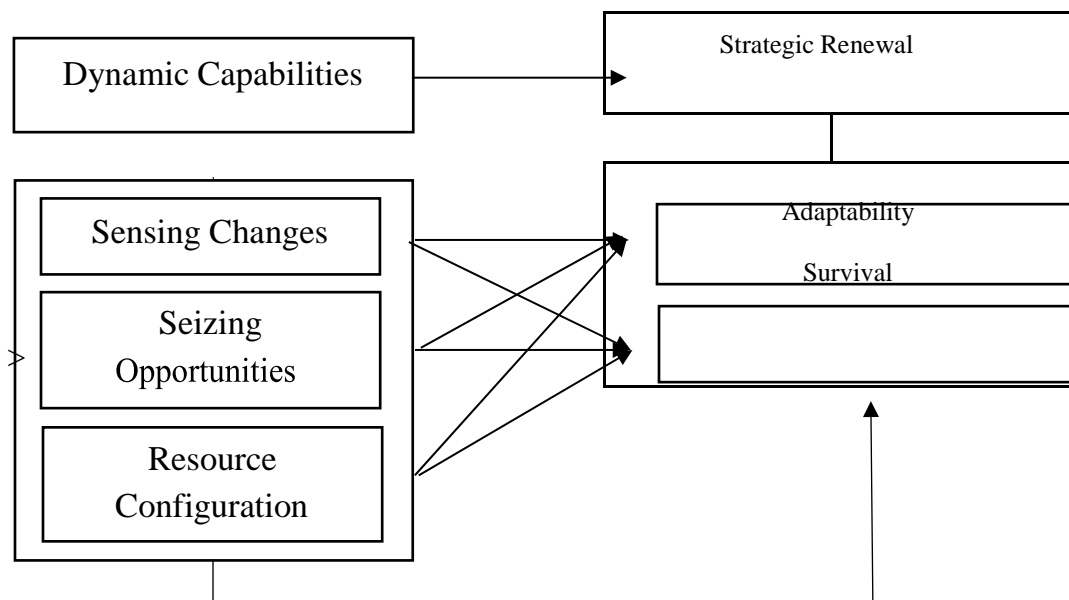


Fig. 1: Conceptual Framework on Dynamic Capabilities and Strategic Renewal of Food, Beverage and Tobacco Firms in Rivers State

Source: Adapted from Amezhinim and Chima (2023), Kump et al. (2019), Gibson and Birkinshaw (2004), and Klammer et al. (2017), Teece (2007).

## Concept of Dynamic Capabilities

Teece et al. (1997) proposed the notion of "dynamic capabilities," which describes a company's capacity to integrate, develop, and reconfigure internal and external competencies in response to quickly changing circumstances. With these skills, businesses may continually adjust their resources, procedures, and routines to gain new kinds of competitive advantage in ever-changing markets. The Resource-Based View (RBV) of the company, which maintains that competitive advantage is generated from special resources and capabilities that are precious, scarce, inimitable, and non-substitutable, forms the basis of dynamic capabilities (Barney, 1991). But if RBV emphasises having static resources, dynamic capabilities place more emphasis on having the flexibility to change and adjust these resources over time (Eisenhardt & Martin, 2000).

Dynamic capabilities are often categorized into three main types: sensing, seizing, and resource reconfiguration (Teece, 2007).

These capabilities are particularly crucial in industries characterized by rapid technological change and intense competition, such as the food, beverage, and tobacco industries. Zollo and Winter (2002) highlight the role of dynamic capabilities in the evolution of organizational knowledge and routines. In the context of the food, beverage, and tobacco industries in Rivers State, dynamic capabilities play a critical role in strategic renewal. Companies in these sectors must continuously adapt to changing consumer preferences, regulatory environments, and competitive pressures. By leveraging dynamic capabilities, these firms can enhance their strategic renewal processes, thereby improving their adaptability and long-term survival.

### **Sensing Changes**

One critical component of dynamic capabilities is sensing changes, which involve ascertaining and reviewing opportunities and risks in the external environment. Sensing capabilities require firms to probe markets and search for technologies to detect changes that could impact their business (Teece, 2007). Teece (2007) emphasizes that effective sensing involves investment in research and development (R&D), market research, and strategic forecasting. Firms with strong sensing capabilities are adept at recognizing shifts in consumer preferences, technological advancements, and competitive dynamics. Sensing skills, according to Eisenhardt and Martin (2000), are necessary for businesses to see new possibilities before rivals do. This proactive approach allows firms to position themselves advantageously and exploit emerging trends. For instance, the ability to sense changes in consumer behaviour enabled firms like Apple and Google to innovate continuously and maintain leadership in their respective industries. Furthermore, sensing changes involves not only the ability to gather information but also the capability to interpret and make sense of it. Helfat and Peteraf (2015) discuss how managerial cognition and experience play a crucial role in interpreting signals from the environment. This cognitive aspect ensures that firms do not merely collect data but also derive actionable insights that inform strategic decision-making (Helfat & Peteraf, 2015). In the context of the food, beverage, and tobacco industries in Rivers State, sensing capabilities are particularly relevant. These industries are subject to fluctuating consumer preferences, regulatory changes, and competitive pressures. Firms with robust sensing capabilities can better anticipate shifts in demand, adapt to new regulations, and innovate in response to competitive threats. For example, companies that sense increasing consumer demand for healthier products can adjust their product lines and marketing strategies accordingly. Augier and Teece (2009) highlight that firms with strong sensing capabilities are better positioned to navigate uncertain environments and achieve sustainable growth. Similarly, Pavlou and El Sawy (2011) find that sensing capabilities significantly contribute to firm performance by enabling timely and effective responses to market changes. Developing strong sensing capabilities is essential for firms aiming to achieve long-term success and adaptability in dynamic environments.

### **Seizing Opportunities**

Seizing opportunities requires firms to act decisively and effectively upon recognizing potential opportunities. Teece (2007) describes this process as involving the development and implementation of strategies to exploit these opportunities. This often includes investing in new technologies, developing new products or services, and entering new markets. Firms must allocate resources strategically, aligning them with the most promising opportunities to maximize returns. Eisenhardt and Martin (2000) argue that seizing opportunities involves not only swift action but also flexibility in strategy implementation. Firms with strong seizing capabilities can rapidly shift resources and adjust strategies in response to emerging opportunities. Effective seizing also entails overcoming organizational inertia and resistance to change. Helfat and Peteraf (2015) highlight that leadership and managerial skills play a critical role in fostering a culture of innovation and risk-taking necessary for seizing opportunities. Managers must be able to communicate the vision, motivate employees, and ensure alignment across the organization to implement new initiatives successfully. Food, beverage, and tobacco industries show that seizing opportunities is particularly vital. These sectors are characterized by fast-changing consumer preferences, regulatory shifts, and technological advancements. Firms that excel in seizing opportunities can introduce new products that meet evolving consumer demands, comply with new regulations more efficiently, and leverage new technologies to gain competitive advantage. Teece (2014) notes that firms with strong seizing capabilities are better positioned to convert opportunities into profitable ventures. Additionally, Zahra et al., (2006) find that entrepreneurial firms that effectively seize opportunities exhibit superior performance and growth. Pavlou and El Sawy (2011) also demonstrate that seizing capabilities are critical for enabling firms to effectively adapt and thrive in dynamic markets. Firms that develop strong seizing capabilities are better equipped to achieve sustainable competitive advantage and adapt to dynamic market conditions.

### **Resource Reconfiguration**

Resource reconfiguration is essential for firms to remain agile and responsive in dynamic markets. Teece (2007) describes it as the ability to recombine and reallocate resources to capture new opportunities and mitigate threats. This process often involves divesting obsolete assets, acquiring new capabilities, and re-bundling existing resources in innovative ways. Effective reconfiguration allows firms to pivot quickly in response to environmental changes, thereby maintaining their strategic

relevance. Eisenhardt and Martin (2000) argue that resource reconfiguration is not just about internal adjustments but also about leveraging external resources through partnerships, alliances, and acquisitions. Firms with strong reconfiguration capabilities can integrate external knowledge and technologies to enhance their existing resource base. This integration is crucial for firms operating in industries with rapid technological advancements, where continuous innovation is key to sustaining competitive advantage. Helfat and Peteraf (2015) emphasize the role of managerial capabilities in resource reconfiguration. Effective leaders can identify when and how to reconfigure resources, ensuring that the firm remains aligned with its strategic objectives. Leadership skills are critical in overcoming resistance to change within the organization and in fostering a culture that supports continuous improvement and innovation. In the setting of food, beverage, and tobacco industries operating in Rivers State, Nigeria, resource reconfiguration is particularly relevant. These sectors face fluctuating consumer preferences, regulatory changes, and competitive pressures. Firms that excel in resource reconfiguration can adapt their product lines, production processes, and marketing strategies to meet evolving market demands. For instance, a company that successfully reconfigures its resources to develop healthier product alternatives can gain a competitive edge in response to increasing consumer health consciousness. Winter (2003) highlights dynamic capabilities, including resource reconfiguration, are vital for sustaining long-term competitive advantage.

### **Concept of Strategic Renewal**

A key idea in strategic management is "strategic renewal," which describes the ongoing process by which businesses revitalise and update their skills, structures, and strategies in order to stay competitive and assure long-term existence. In order to respond to shifting conditions and seize new possibilities, this process entails considerable changes to the company's primary operations (Agarwal & Helfat, 2009). The cornerstone of strategy renewal is a company's capacity to dynamically modify its course in response to both internal and external forces. Schmitt et al. (2018) claim that drastic as well as gradual changes are included in strategic renewal, allowing businesses to strike a balance between exploring new prospects and using their current strengths. This dual strategy fosters innovation and adaptation while assisting businesses in maintaining operational efficiency. The notion of dynamic capacities offers a framework for comprehending strategic renewal.

Teece (2007) highlight that firms must possess dynamic capabilities to reconfigure resources and processes in alignment with evolving market demands. Teece (2007) emphasizes that firms with robust dynamic capabilities can more effectively undertake strategic renewal initiatives, thus enhancing their ability to navigate complex and uncertain environments. Flier et al. (2003) found that firms engaged in strategic renewal are better positioned to adapt to industry shifts and technological changes, leading to sustained performance improvements. Additionally, Zollo and Winter (2002) argue that strategic renewal activities enhance a firm's ability to innovate and respond to environmental changes. Firms that effectively implement strategic renewal processes can better align their product offerings, operational practices, and strategic goals with market demands. By fostering dynamic capabilities and engaging in continuous strategic renewal, firms can ensure their long-term viability and success.

### **Adaptability**

Adaptability is a critical component of strategic renewal, enabling firms to continuously transform and align their strategies with changing environmental conditions. Adaptability refers to an organisation's ability to adjust and evolve in response to dynamic environmental conditions and market changes (Agarwal & Helfat, 2009). Adaptability allows firms to respond proactively to both external changes and internal challenges. Adaptability involves implementing both incremental and radical changes (Schmitt et al., 2018). Dynamic capabilities theory provides a valuable framework for understanding the role of adaptability in strategic renewal. Teece (2007) further emphasizes that firms with strong dynamic capabilities can adapt more effectively to environmental shifts, enhancing their strategic renewal efforts. These capabilities are particularly critical for firms operating in volatile and rapidly changing markets, where adaptability is essential for survival and growth. Eisenhardt and Martin (2000) argue that firms in high-velocity environments must develop robust adaptive mechanisms to cope with rapid changes.

Flier et al. (2003) found that firms engaging in adaptive strategic renewal were better positioned to navigate industry shifts and technological advancements, leading to sustained performance improvements. Helfat and Peteraf (2015) discuss how managerial cognitive capabilities influence strategic decision-making processes, enabling firms to recognize and respond to environmental changes effectively. Managers play a crucial role in driving the strategic renewal process by facilitating the reconfiguration of resources and ensuring alignment with evolving market conditions. In the background of the industries covering food, beverage, and tobacco within Rivers State, adaptability is particularly relevant. These industries face fluctuating consumer preferences, regulatory changes, and intense competition. Firms that excel in adaptability can realign their product offerings, operational practices, and strategic goals to meet evolving market demands. By fostering dynamic capabilities and emphasizing adaptability, firms can better navigate the challenges of dynamic markets and secure their long-term viability and



success

## Survival

The concept of survival represents an organization's ability to withstand and thrive in a changing and competitive landscape, which is essential in the business realm. As Hitt et al. (1997) stated, survival involves maintaining operational continuity and sustaining long-term competitive advantage. This is especially important in sectors like food, beverage, and tobacco in Rivers State, Nigeria, where businesses encounter various difficulties, such as shifts in regulations, unpredictable markets, and economic uncertainty. When a company is unable to handle the difficulties or threats presented by its surroundings or competitors, it fails (Obiekwe, 2018). The failure to adapt effectively can lead to a loss of market share, profitability, and ultimately, business closure. In the food, beverage, and tobacco sectors of Rivers State, Nigeria, survival depends on the capacity to manage changes in regulations, evolving consumer tastes, and competitive pressures. These sectors encounter distinct challenges such as shifts in regulations, unpredictable markets, and economic uncertainty.

The Resource-Based View (RBV) of a company suggests that having unique, valuable, and hard-to-replicate resources is essential for maintaining a competitive edge and ensuring the organization's survival (Barney, 1991). This perspective indicates that companies with strong resources can better resist competitive challenges and adapt to changes in their environment. However, the dynamic nature of modern markets requires not just possession of these resources but also the ability to reconfigure them as needed. Dynamic capabilities are crucial for a company's survival, as they allow organizations to identify opportunities and threats, capitalize on these opportunities, and reorganize their resources to stay competitive (Teece, 2007). Companies that excel in these capabilities are more capable of navigating the challenges of ever-changing markets and securing their future.

## Empirical Review

Ellah and Onuoha (2021) in their paper "Dynamic Capability and Organizational Effectiveness of Food and Beverages Firms in Rivers State, Nigeria" investigated how dynamic capability relates to the organizational effectiveness. The study employed a cross-sectional survey methodology, focusing on a population of 108 managers and supervisors from 12 manufacturing firms. The sampling method utilized was a census study. Out of the 108 questionnaires distributed, 102 were returned and analysed. The key variables measured included dynamic capability, which encompasses organizational learning capability and resource utilization capability, along with organizational effectiveness, measured through adaptability and productivity. Pearson product-moment correlation was used for data analysis. The results showed a strong positive correlation between organisational effectiveness and dynamic capacity, indicating that enhancing an organization's dynamic capabilities may increase its productivity and flexibility.

Zhou et al. (2019) investigated the central and much debated topic of how organisations' dynamic capacities result in their competitive advantage and improved firm performance. According to the research, there are three distinct dimensions that may be used to characterise dynamic capabilities: sensing capacity, integration capacity, and reconfiguration capacity. They speed up several kinds of innovation, which improves business performance. There were 204 Chinese companies in the sample. Although there are some subtle variations among the many dynamic capacities dimensions, the findings of partial least squares structural equation modelling investigations mostly corroborate their claims. The empirical research and literature on dynamic capacities are enhanced by this work. Additionally, it illustrates the mechanisms by which dynamic capabilities affect business performance.

Redwell-Emotongha and Bayo (2024) reviewed the association between the capacity for higher competition and strategic renewal by foods and beverages and food companies. The purpose of the study is to investigate the influence of strategic renewal on competitiveness of the companies. Cross-sectional survey was used. The sample size is 35 senior managers in the foods and beverages manufacturing companies. Structured questionnaire was used to collect data. The hypotheses were evaluated using regression analysis. The results indicated that strategic renewal significantly and favourably affects the competitiveness metrics of Nigerian beverage and food manufacturing enterprises. A key finding was that competitiveness of beverages and foods manufacturing firms was influenced by strategic renewal.

Klammer et al. (2017) examined potential antecedents of strategic renewal and impact on firm performance. The sample size is 104 companies and data were collected by the use of structured questionnaire. The empirical findings show that firm performance is positively impacted by strategic renewal. Factors that precede and contribute to these outcomes are organisational learning and entrepreneurial orientation. The managerial implication is that firms can achieve long-term success if they undertake strategic renewal activities with their organisations. The findings also indicate that activities of strategic

renewal can be facilitated by the help of entrepreneurial orientation and organisational learning.

### 3.0 Methodology

The study adopted a cross-sectional survey research design to examine a population of 19 registered food and beverage and tobacco firms in Rivers State, Nigeria. The study used the census method to study the entire population because it was not large. The simple random technique was used to select 4 respondents from each of the 19 food and beverage firms. Hence, a total of 76 respondents were studied. The questionnaire was adapted and modified from previous research as an instrument for measuring various aspects of the study variables. Dynamic capabilities is the independent variable and comprises of three dimensions, which are sensing capability, seizing opportunities, and resource reconfiguration. They are adapted from the work of Teece, D. J. (2007) and Kump et al., (2019). Strategic renewal is the dependent variable and was measured by adaptability and survival. They are adapted from the work of Amezhinim and Chima (2023), Gibson and Birkinshaw (2004), and Klammer et al. (2017). A 5-point Likert scale was used to operationalize the dimensions, and the scales were namely Strongly Agree = 5, Agree = 4, Undecided = 3, Disagree = 2, and Strongly Disagree = 1. Cronbach alpha reliability test was conducted on all the questionnaire items to ascertain their reliability, and all the items were above the threshold of 0.7 (Nunnally, 1978). Regression analysis was adopted in testing the hypotheses.

### 4.0 Results

Out of a total of 76 questionnaires distributed to respondents, 75 were successfully retrieved, representing a high response rate of 98.6%. This impressive response rate reflects the respondents' willingness and the effectiveness of the survey distribution method. However, not all returned questionnaires were usable. Upon review, only 72 of the 75 returned copies were correctly filled out, making them valid for further analysis. This yielded a usable response rate of approximately 94.7% from the distributed questionnaires, ensuring that the data collected was reliable and representative of the sample population.

To test the hypotheses of the study, the Pearson Product Moment Correlation Coefficient was employed. This statistical method is particularly useful for determining the strength and direction of the relationship between two continuous variables. By using this method, the study aimed to ascertain whether there was a significant correlation between the variables under investigation. The choice of this statistical test underscores the study's focus on understanding the nature and strength of the relationships between the factors being examined. The results of the Pearson Product Moment Correlation Coefficient analysis are presented in Table 1. This table provides a detailed overview of the correlation coefficients calculated for the variables of interest. The values in the table indicate whether the relationships are positive or negative, and the strength of these

relationships. Interpreting these results is essential for drawing conclusions about the hypotheses tested, and for understanding the broader implications of the study's findings.

**Table 1*****Correlation Coefficients Results***

		<b>Correlations</b>				
		Sensing changes	Seizing opportunities	Resource configuration	Adaptability	Survival
Sensing changes	Pearson Correlation	1	.933**	.832**	<b>.756**</b>	<b>.752**</b>
	Sig. (2-tailed)		.000	.000	.000	.000
	N	72	72	72	72	72
Seizing opportunities	Pearson Correlation	.933**	1	.884**	<b>.788**</b>	<b>.882**</b>
	Sig. (2-tailed)	.000		.000	.000	.000
	N	72	72	72	72	72
Resource configuration	Pearson Correlation	.832**	.884**	1	<b>.840**</b>	<b>.811**</b>
	Sig. (2-tailed)	.000	.000		.000	.000
	N	72	72	72	72	72
Adaptability	Pearson Correlation	<b>.756**</b>	<b>.788**</b>	<b>.840**</b>	1	.762**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	72	72	72	72	72
Survival	Pearson Correlation	<b>.752**</b>	<b>.882**</b>	<b>.811**</b>	.762**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	72	72	72	72	72

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

**Interpretations of Results:**

Sensing changes and adaptability collate at  $r$  (0.756): The positive correlation indicates that firms that are good at sensing changes are also likely to be adaptable. The null hypothesis one was therefore rejected and the alternative hypothesis one accepted.

Sensing changes and survival at  $r$  (0.752): This positive correlation suggests that firms that are good at sensing changes are also more likely to survive. The null hypothesis two was therefore rejected and the alternative hypothesis two accepted.



Sensing opportunities and adaptability at  $r$  (0.788): This positive correlation suggests that firms that are adept at sensing opportunities are also likely to be adaptable. The null hypothesis three was therefore rejected and the alternative hypothesis three accepted.

Sensing opportunities and survival at  $r$  (0.882): The high positive correlation indicates that firms that are good at sensing opportunities are also more likely to survive. The null hypothesis four was therefore rejected and the alternative hypothesis four accepted.

Resource configuration and adaptability at  $r$  (0.840): This correlation suggests that firms that have a well-configured set of resources are also likely to be adaptable. The null hypothesis five was therefore rejected and the alternative hypothesis five accepted.

Resource configuration and survival at (0.811): This correlation indicates that firms that are good at configuring resources are also more likely to survive. The null hypothesis six was therefore rejected and the alternative hypothesis six accepted.

**Table 2**

***Reliability of Instrument test Result***

Variables	Items	Alpha Coefficients
Sensing changes	4	0.833
Sensing Opportunities	6	0.850
Resource configuration	6	0.845
Adaptability	5	0.837
Survival	4	0.825
<b>Total items</b>	<b>25</b>	

Hence, the results, as indicated in Table 2, show that the research instrument was reliable.

**Discussion of Findings**

The outcome of the analysis show that dynamic capabilities and strategic renewal are associated within food, beverage and tobacco companies and the association is significant. This is shown in the relationship that sensing changes, seizing opportunities and resource reconfiguration have on

adaptability and survival, which is significant. The relationship linking sensing changes to adaptability is significant and consistent with a study by Zollo and Winter (2002), who found that firms that are more effective at sensing changes in their environment are better able to adapt their strategies and structures to new conditions, leading to higher levels of adaptability. The significant relationship between sensing changes and survival is consistent with Eisenhardt and Martin's (2000) study, which found that firms that are able to sense changes in their environment early and accurately are more inclined to survive in challenging operating environments, highlighting the importance of sensing changes for survival. The significant relationship between seizing opportunities and adaptability is supported by Zahra et al., (2006) as they found that firms that are more proactive in seizing possibilities and transforming their resource base are more adaptable and able to respond effectively to shifts in their environment.

The significant relationship between seizing opportunities and survival is supported by the study by Hitt et al. (2001). They found that companies that can recognize and leverage opportunities in their environment are more likely to survive and thrive, highlighting the importance of seizing opportunities for survival. The significant relationship between resource configurations and survival is supported by the study by Teece et al. (1997) which said that firms with dynamic capabilities, like the ability to

change how their resources are set up in response to changing environments, are more flexible and can gain a long-term competitive edge. The significant relationship between resource configurations and survival is consistent with Priem and Butler's (2001) study, which found that firms that are able to effectively configure their resources to meet changing market demands are more likely to survive and succeed in the long term.

### 5.0 Conclusion and Recommendation

The study identified a strong link between dynamic capabilities and strategic renewal in food, beverage, and tobacco firms in Rivers State. Recognizing changes, seizing opportunities, and reconfiguring resources significantly impact adaptability and survival. Companies that can detect environmental shifts adjust their strategies effectively, enhancing adaptability. Similarly, firms that identify changes early tend to thrive in unstable environments. Proactively seizing opportunities and adjusting resources fosters greater adaptability, while those that leverage opportunities are more likely to survive and prosper. Additionally, firms that can reconfigure resources as reactions to market adjustments maintain flexibility and gain a competitive edge, which is crucial for long-term success.

### Recommendations

Based on the study of dynamic capabilities and strategic renewal within the food, beverage, and tobacco companies in Rivers State, the following recommendations are made to enhance their strategic renewal ability, competitive edge and long-term sustainability:

1. Managers should actively monitor market trends and shifts in consumer preferences. Recognizing changes early allows companies to adapt their strategies which enhances their flexibility.
2. By proactively pursuing new market opportunities, managers should align their resources to meet demand. This approach boosts adaptability and increases the chances of success in a competitive landscape.
3. Management should be willing to adjust their resource allocations as necessary. This capability helps companies maintain relevance and achieve a competitive advantage in changing environments.
4. Management should be encouraging a culture of adaptability within the organization that prepares teams to respond effectively to unforeseen challenges and market shifts.
5. Management should develop dynamic capabilities, in order to enhance long-term survival in a volatile market.

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