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The Effect of Firm Resilience on Organisational Operational Efficiency of Selected FMCG **Companies in Lagos State, Nigeria**

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Abstract

This study investigates the effect of firm resilience on organisational operational efficiency within selected Fast-Moving Consumer Goods (FMCG) companies in Lagos State, Nigeria. In the face of growing market volatility and frequent operational disruptions, resilience has emerged as a critical capability for sustaining efficiency. Grounded in the Resource-Based View (RBV) theory, the study examines how key dimensions of firm resilience specifically market responsiveness and innovation capabilities contribute to enhancing operational efficiency. A quantitative research design was adopted, and data were collected from 379 top-level managers using structured questionnaires. Descriptive statistics and multiple regression analysis were employed for data interpretation. The findings reveal that employees perceive their organisations as operating at a moderately high level of efficiency, particularly in areas such as resource optimisation, workflow streamlining, and timely service delivery. Importantly, market responsiveness and innovation capabilities were found to significantly influence operational efficiency, while other dimensions, such as financial resilience and risk management, were not statistically significant. These results align with RBV by identifying innovation and adaptability as strategic internal resources. However, the model accounts for only 23.6% of the variation in operational efficiency, indicating the influence of additional variables not captured in this study. The findings suggest that building strategic capabilities in innovation and market adaptability is key to sustained efficiency.

Keywords: Firm Resilience, Operational Efficiency, Market Responsiveness, Innovation Capabilities, FMCG Industry, Resource-Based View, Nigeria.

Introduction

In an increasingly volatile and complex global business landscape, firm resilience has emerged as a strategic imperative rather than a discretionary capability. Firms today operate in environments shaped by rapid technological advancements, economic disruptions, public health crises such as the COVID-19 pandemic, geopolitical tensions, and environmental uncertainties (McKinsey, 2021). These multidimensional disruptions underscore the critical need for firms not only to withstand shocks but also to adapt, recover, and emerge stronger-capabilities which are collectively encapsulated in the concept of firm resilience. Globally, organisations that have embedded resilience into their operational and strategic frameworks have demonstrated greater agility, continuity, and competitiveness in the face of adversity.

The fast-moving consumer goods (FMCG) sector, known for its sensitivity to demand fluctuations, complex supply chains, and cost-driven operations, is particularly vulnerable to systemic disruptions (Drueing & Conrad, 2013). As such, resilience within this sector is not merely a response mechanism but a proactive and integrative component of operational strategy. Empirical studies from advanced economies such as the United States, the United Kingdom, and parts of Asia indicate that firm resilience positively correlates with key performance indicators such as operational efficiency, customer satisfaction, and market share sustainability (Balugani et al., 2020; Abdelaziz et al., 2024). These findings have prompted a global re-evaluation of traditional operational models, shifting focus from rigid efficiency paradigms toward more adaptive and resilient systems.

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In the context of developing economies such as Nigeria, the challenges confronting organisational operations are even more pronounced. The Nigerian FMCG industry operates within a framework of systemic constraints including infrastructural decay, policy inconsistencies, foreign exchange instability, inflationary pressures, insecurity, and logistics bottlenecks (Abu, 2024). Lagos State, Nigeria's economic nerve centre and home to a large concentration of FMCG firms, experiences a unique convergence of these challenges. While some companies have collapsed under the weight of these pressures, others have demonstrated remarkable resilience, reconfiguring their operations, leveraging digital solutions, and localising supply chains to sustain efficiency and competitiveness.

Empirical studies have highlighted the positive correlation between firm resilience and operational efficiency. Essuman et al. (2020) conceptualize operational resilience as comprising two key components: disruption absorption, the ability to maintain function during a disruption-and recoverability, the capacity to restore operations postdisruption. Their research indicates that both components significantly enhance operational efficiency, particularly in environments with varying levels of disruption intensity. Similarly, Baba and Amah (2021) emphasize the role of innovativeness in bolstering resilience among food and beverage manufacturing firms in Nigeria, suggesting that adaptive capabilities are crucial for operational sustainability.

Despite the growing recognition of resilience as a strategic asset, there remains a paucity of research examining its specific impact on operational efficiency within Nigeria's FMCG sector. Most existing studies focus on broader performance metrics or are situated in different industrial contexts, leaving a gap in understanding the nuanced relationship between resilience and operational outcomes in FMCG firms operating in Lagos State.

This study aims to bridge this gap by investigating the effect of firm resilience on organisational operational efficiency among selected FMCG companies in Lagos State, Nigeria. By analyzing how resilience capabilities influence operational processes and outcomes, the research seeks to provide actionable insights for managers and policymakers to enhance organisational robustness and efficiency in the face of ongoing and future disruptions.

Conceptual Clarification

Conceptualizing Firm Resilience

Firm resilience refers to an organisation's capacity to anticipate, prepare for, respond to, and recover from disruptions while maintaining continuous business operations. It encompasses adaptive capabilities that enable firms to withstand shocks and sustain performance levels. Lengnick-Hall et al. (2011) distinguish between two perspectives of firm resilience: the transactional view, which focuses on bouncing back to a prior state post-disruption, and the transformational view, which emphasizes adapting and thriving amidst change. In the context of the Fast-Moving Consumer Goods (FMCG) sector, resilience is critical due to the industry's exposure to

supply chain complexities, demand fluctuations, and external shocks.

Operational Efficiency in FMCG Firms

Operational efficiency pertains to an organisation's ability to deliver products or services in the most cost-effective manner without compromising quality. In the FMCG sector, operational efficiency is vital due to the high competition, low-profit margins, and the need for rapid product turnover. Efficient operations enable FMCG firms to meet customer demands promptly, manage inventory effectively, and reduce waste, thereby enhancing profitability and competitiveness.

Literature Review

The relationship between firm resilience and operational efficiency has become increasingly critical, particularly as businesses contend with a growing number of disruptions in today's rapidly changing environment. Wong et al. (2019) introduced a multi-dimensional framework for operational resilience that separates disruption absorption and recoverability, two crucial components for maintaining operational efficiency. Their research demonstrated that both aspects positively impact operational performance, especially during periods of disruption. Expanding on this, Essuman et al. (2023) emphasized that organizations with robust operational resilience can maintain high efficiency during crises. These firms are better equipped to absorb shocks and recover swiftly, leading to sustained operational performance despite external challenges.

The ability to absorb disruptions is particularly important for operational efficiency. Li et al. (2022) highlighted that firms with strong disruption absorption capabilities experience less downtime during adverse events, thus improving their overall efficiency. Similarly, Nkundabanyanga et al. (2019) supported this view, showing that firms with comprehensive resilience strategies are more adept at sustaining operational efficiency during crises. This is particularly important in industries prone to frequent disruptions, where maintaining steady operations is essential to performance.

However, a focus on efficiency alone can sometimes undermine resilience capabilities. Manhart et al. (2020) explored the tension between prioritizing efficiency and building resilience. They proposed that an exclusive emphasis on efficiency could weaken a firm's resilience over time, suggesting that a balanced approach is necessary for longterm operational success. This was further illustrated by Essuman et al. (2020), who noted that while efficiency-driven initiatives, such as cost-cutting measures, can improve shortterm profitability, they may reduce investments in resiliencebuilding practices that are essential for maintaining operational effectiveness in the face of future disruptions. Similarly, Dogo et al. (2023) highlight that operational resilience dimensions, such as technological resilience and resilient culture, positively impact technological performance in Nigeria's food and beverage manufacturing sector.

Baba and Amah (2021) examine the relationship between innovativeness and firm resilience in food and beverage



manufacturing firms in South-South Nigeria. Their findings suggest that innovativeness promotes resilience, which in turn enhances operational performance. Similarly, Nneji (2023) investigates supply chain resilience and capacity utilisation in food and beverage companies in Rivers State, concluding that supply chain resilience significantly influences capacity utilisation in the post-COVID-19 era. Furthermore, Igudia (2023) studies the impact of supply chain management on the resilience of bottling companies in Benin City, revealing a positive correlation between efficient supply chain practices and firm resilience.

To address these challenges, Rajesh (2021) examined buffering and bridging strategies that firms can employ to counterbalance the effects of prioritizing efficiency. These strategies enhance both resilience and operational efficiency by enabling organizations to absorb shocks while still optimizing their operations. Similarly, Golan et al. (2020) stressed the importance of strategic resource allocation in achieving operational resilience without sacrificing efficiency. They argued that effective risk management frameworks and resource distribution are key to maintaining this delicate balance, ensuring that firms can operate effectively even under duress.

While existing studies provide insights into the importance of resilience in enhancing operational outcomes, there remains a paucity of research focusing specifically on the effect of firm resilience on operational efficiency within Lagos State's FMCG sector. Given Lagos State's status as Nigeria's commercial hub, understanding this relationship is crucial for developing strategies to bolster organisational performance in the region's FMCG industry.

Theoretical Framework: Resource-Based View (RBV)

The Resource-Based View (RBV) is a strategic management theory that posits that a firm's internal resources and capabilities are critical determinants of its competitive advantage and performance. Introduced by Barney (1991), RBV theory posits that a firm's sustainable competitive advantage stems from its possession and effective utilization of resources that are valuable, rare, inimitable, and nonsubstitutable (VRIN). Valuable resources enable firms to exploit opportunities or neutralize threats in the environment, thereby enhancing efficiency and effectiveness. Rarity ensures that these resources are not widely possessed by competitors, while inimitability implies that they cannot be easily replicated due to unique historical conditions, causal ambiguity, or social complexity. Non-substitutability means that no alternative resources can provide the same strategic benefits. Collectively, these attributes allow firms to implement strategies that competitors cannot easily duplicate, leading to sustained competitive advantage (Barney, 1991).

Applying RBV to the context of FMCG companies in Lagos State, firm resilience can be conceptualized as a strategic resource that fulfills the VRIN criteria. Resilience enables firms to maintain operational efficiency amidst disruptions by allowing them to anticipate, absorb, and adapt to adverse events. This capability is valuable in ensuring continuity and minimizing losses, rare as not all firms possess the same level of resilience, inimitable due to its development through unique organizational cultures and experiences, and nonsubstitutable as no other resource can fully replicate its benefits (Olaleye et al., 2023). Therefore, fostering resilience aligns with RBV's emphasis on leveraging internal resources to achieve and sustain operational excellence in the face of environmental uncertainties.

Methodology

This study employed a quantitative cross-sectional survey design to examine the effect of firm resilience on organisational operational efficiency within selected Fast-Moving Consumer Goods (FMCG) companies in Lagos State, Nigeria. The target population comprised 16,785 employees across five major FMCG firms. Utilizing Krejcie and Morgan's (1970) sample size determination table, a sample size of 488 respondents was established to ensure representativeness and statistical validity. Out of the distributed questionnaires, 379 were duly completed and returned, yielding a response rate of approximately 77.7%, which is considered adequate for robust statistical analysis.

Data collection was conducted using a structured questionnaire segmented into three sections: demographic information, dimensions of firm resilience, and indicators of operational efficiency. Prior to the main study, the instrument underwent a pilot test to assess its reliability and validity. The reliability analysis yielded Cronbach's alpha coefficients ranging from 0.763 to 0.889, indicating acceptable to high internal consistency across the scales. For data analysis, descriptive statistics were utilized to summarize the demographic characteristics and key variables. Inferential statistics, specifically multiple regression analysis, were employed to examine the relationships between various dimensions of firm resilience and operational efficiency. To ensure the robustness of the regression models, diagnostic tests were conducted: normality was assessed using the Shapiro-Wilk test, multicollinearity was evaluated through Variance Inflation Factor (VIF) values (all below the threshold of 5), and homoscedasticity was verified via scatterplot analyses of residuals. All assumptions for multiple regression were satisfactorily met, affirming the suitability of the data for inferential analysis.

Result and Discussion of Findings

The study aimed to investigate the effect of firm resilience on operational efficiency within selected Fast-Moving Consumer Goods (FMCG) companies in Lagos State, Nigeria. A structured questionnaire was administered to employees across five major FMCG firms, yielding 379 valid responses. Respondents assessed various aspects of operational efficiency, including optimizing resource usage, streamlining workflows, timely service delivery, reducing operational downtime, and minimizing production delays.

The socio-demographic characteristics of the 379 respondents in this study reveal key insights into the composition of toplevel managers within Nigeria's FMCG sector. Gender



distribution shows a male dominance, with 70.1% being male and 29.9% female, underscoring a potential gender disparity in leadership roles within the industry. In terms of age, the majority of respondents fall within the 35–54 years age bracket, accounting for 65.3% of the sample, with the highest concentration in the 45–54 years group (34.4%), followed by those aged 35–44 years (30.9%). This suggests that leadership positions are largely occupied by mid-to-late career professionals, emphasizing the role of experience in securing top management roles. Younger respondents aged 25–34 years represent 15.5%, while those aged 55 and above constitute 19.2%, indicating some degree of generational diversity. Regarding educational qualifications, most respondents (69.1%) hold a Bachelor's Degree, while only 7.2% and 4.5% possess a Master's Degree and PhD respectively. An additional 19.2% fall under the 'Other' category, which includes professional certifications and industry-specific training. These findings suggest that while higher education is valued, practical experience and industry-specific knowledge play a more critical role in attaining leadership positions within Nigeria's FMCG sector.

	VH	Н	MH	ML	L	VL	Missing	Total	
	%	%	%	%	%	%		Mean	Standard Deviation
Optimizing resource usage	9.50	24.27	34.83	24.80	4.49	1.06	1.06	4.02	1.15
Streamlining workflows	6.33	28.50	38.52	19.26	5.01	1.32	1.06	4.04	1.10
Delivering services on time	8.71	22.43	39.31	20.84	6.07	1.58	1.06	3.98	1.16
Reducing downtime in operations	6.60	25.86	38.52	20.58	5.28	2.11	1.06	3.97	1.14
Minimizing delays in production	10.55	24.54	33.77	24.01	4.75	1.32	1.06	4.04	1.18
AVERAGE								4.01	1.15

 TABLE 1

 Descriptive On Operational Efficiency

Researcher's Findings 2025

The table presents mean scores and standard deviations for five key indicators of operational efficiency: optimising resource usage, streamlining workflows, delivering services on time, reducing downtime in operations, and minimising production delays. All indicators have mean scores ranging from 3.97 to 4.04, suggesting that respondents generally perceive these aspects of operational efficiency as moderately high. According to standard interpretations of a 5-point Likert scale, mean scores between 3.51 and 4.50 are considered "agree" or "moderately high". The standard deviations, ranging from 1.10 to 1.18, indicate a moderate level of variability in responses, reflecting some differences in individual perceptions but overall consensus on the efficiency, with particular strengths in streamlining workflows and minimising production delays, both having the highest mean scores of 4.04. However, the slightly lower mean score for reducing downtime in operations (3.97) indicates a potential area for improvement.

To further analyse the relationship between firm resilience and operational efficiency, a multiple regression analysis was conducted.

Table 2

Summary of multiple regression analysis of firm resilience and operational efficiency of selected FMCGs in Lagos State, Nigeria. N = 379 Model \mathbf{R}^2 Adj. R² В Т Sig. R F (5, 373) ANOVA .496^a $.000^{b}$ (Constant) 1.582 6.342 .000 .246 .236 24.385 Financial Resilience .068 1.457 .146 **Risk Management** -.019 -.349 .727 Market Responsiveness .170 2.966 .003 **Operational Flexibility** .080 1.523 .129 Innovation Capabilities .330 5.765 000

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a. Dependent Variable: Operational efficiency

Predictors: (Constant), Financial resilience, Risk management, Market responsiveness, Operational flexibility, Innovation

capabilities

Source: Researcher's findings, 2025

The results indicated that certain dimensions of firm resilience significantly influenced operational efficiency. Specifically, market responsiveness ($\beta = 0.170$, t = 2.966, p < 0.05) and innovation capabilities ($\beta = 0.330$, t = 5.765, p < 0.05) were found to have a positive and significant effect on operational efficiency. In contrast, financial resilience ($\beta = 0.068$, t = 1.457, p > 0.05), risk management (β = -0.019, t = -0.349, p > 0.05), and operational flexibility ($\beta = 0.080$, t = 1.523, p > 0.05) did not exhibit a statistically significant impact. The model's R value of 0.496 and adjusted R² of 0.236 suggest that approximately 23.6% of the variance in operational efficiency can be explained by the firm resilience variables included in the study. The F-statistic (F(5, 373) = 24.385, p < 0.05) confirms the model's overall significance. These findings shows the importance of enhancing market responsiveness and innovation capabilities to improve operational efficiency in FMCG firms operating in Lagos State.

Discussion of results

The findings of this study reveal that employees perceive their organizations as operating at a moderately high level across several key indicators of operational efficiency, including optimizing resource utilization, streamlining workflows, ensuring timely service delivery, minimizing production delays, and reducing operational downtime. While this suggests commendable operational effectiveness among selected FMCG firms in Lagos State, the variation in mean scores indicates that opportunities for improvement remain. More critically, the multiple regression analysis demonstrates that among the five dimensions of firm resilience examined, only market responsiveness and innovation capabilities exhibit a statistically significant and positive influence on operational efficiency. Regression results revealed that only market responsiveness ($\beta = 0.170$, p < 0.05) and innovation capabilities ($\beta = 0.330$, p < 0.05) had significant positive effects on operational efficiency. Other dimensions, including financial resilience, risk management, and operational flexibility, were not statistically significant. This highlights the strategic importance of adaptability and innovation, consistent with RBV theory. The findings are also supported by Wong et al. (2019) and Essuman et al. (2023), who argue that disruption-handling capacities are central to sustained performance. Li et al. (2022) also found that strong disruption absorption capabilities lead to reduced downtime, while Nkundabanyanga et al. (2019) observed that comprehensive resilience strategies are crucial in ensuring operational continuity in volatile environments.

Conversely, the non-significant results suggest that traditional risk strategies or resource buffers alone may not translate directly into efficiency gains in dynamic markets like Nigeria.

These findings support the theoretical framework of the Resource-Based View (RBV), which holds that only resources that are valuable, rare, inimitable, and non-substitutable can

offer firms a competitive advantage. In this context, innovation and market adaptability qualify as such strategic resources. However, scholars such as Manhart et al. (2020) and Essuman et al. (2020) caution against an overemphasis on efficiency, arguing that such a focus can inadvertently undermine resilience by deprioritizing investments in flexibility and preparedness. For example, efficiency-driven actions like cost-cutting may yield short-term gains but weaken a firm's capacity to withstand future disruptions. Therefore, a balanced strategic posture—one that simultaneously cultivates efficiency and resilience—is necessary to ensure both immediate performance and longterm sustainability.

Conclusion and Recommendation

This study examined the effect of firm resilience on the operational efficiency of selected fast-moving consumer goods (FMCG) companies in Lagos State, Nigeria. The findings revealed that while these firms generally operate at a moderately high level of efficiency—characterized by timely service delivery, optimal resource utilization, streamlined workflows, and minimal production delays—there remains considerable room for improvement, particularly in areas with lower performance ratings. More critically, the multiple regression analysis established that among the various dimensions of firm resilience, market responsiveness and innovation capabilities significantly and positively influence operational efficiency. These two factors emerged as strategic assets that drive operational effectiveness, especially in dynamic and uncertain environments.

In light of these findings, it is recommended that FMCG firms in Lagos State adopt a balanced strategic approach that equally prioritizes both efficiency and resilience. First, organizations should enhance their innovation capabilities and market responsiveness by investing in research and development, embracing digital technologies, and fostering a culture of continuous improvement. Second, resilience should be institutionalized through formal mechanisms for risk management, scenario planning, and operational flexibility to better respond to disruptions. Third, firms should develop internal metrics to regularly assess their resilience capabilities, focusing on both absorptive capacity and adaptive performance. Finally, support from industry regulators and policymakers is essential. By promoting training initiatives, providing incentives for innovation, and facilitating knowledge exchange among firms, a more resilient and operationally efficient FMCG sector can be cultivated. These recommendations are not only critical for sustaining day-toefficiency but also for ensuring dav long-term competitiveness in a rapidly evolving business environment.

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