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Strategic Agility and Competitive Advantage of Selected Manufacturing Firms in Osun State

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Abstract

The growing turbulence and competitive nature of the current business environment require organisations to evolve adaptive capabilities. This research examined the connection between strategic sensitivity and competitive advantage and the effect of strategic response on competitive advantage. The research design used in the study was cross-sectional research design and instrument used was structured questionnaire that was given to the top and middle-level employees in eight manufacturing companies that comprised a population of 2,980 managers, supervisors and functional heads. Among the distributed questionnaires, 371 valid responses were analyzed using SPSS 29, employing descriptive statistics and multiple linear regression. The results show that strategic sensitivity and strategic response are both significant factors of competitive advantage. Nevertheless, strategic response is the most powerful influence and proactive and timely change in response to environmental changes is more important in improving competitive positioning than sensitivity. Competitive advantage was explained by the model which indicates that the strategic agility model is indeed robust in the manufacturing environment. The novelty of this research lies in contextual, comparative and explanatory contributions to the strategic agility and competitive advantage literature. The research recommended that policymakers need to promote the establishment of an enabling environment, which favors the agility of manufacturing companies.

Keywords: Strategic Agility, Competitive Advantage, Manufacturing Firms, Strategic Response, Strategic Sensitivity.

Abstrak

Peningkatan ketidakpastian dan sifat kompetitif lingkungan bisnis saat ini mengharuskan organisasi untuk mengembangkan kemampuan adaptif. Penelitian ini mengkaji hubungan antara sensitivitas strategis dan keunggulan kompetitif, serta dampak respons strategis terhadap keunggulan kompetitif. Desain penelitian yang digunakan dalam studi ini adalah desain penelitian cross-sectional, dan instrumen yang digunakan adalah kuesioner terstruktur yang diberikan kepada karyawan tingkat atas dan menengah di delapan perusahaan manufaktur yang terdiri dari populasi 2.980 manajer, supervisor, dan kepala fungsi. Dari kuesioner yang didistribusikan, 371 tanggapan valid dianalisis menggunakan SPSS 29, dengan menerapkan statistik deskriptif dan regresi linier berganda. Hasil menunjukkan bahwa sensitivitas strategis dan respons strategis keduanya merupakan faktor signifikan dalam keunggulan kompetitif. Namun, respons strategis merupakan pengaruh yang paling kuat, dan perubahan proaktif dan tepat waktu sebagai respons terhadap perubahan lingkungan lebih penting dalam meningkatkan posisi kompetitif daripada sensitivitas. Keunggulan kompetitif dijelaskan oleh model ini, yang menunjukkan bahwa model kelincahan strategis memang kokoh dalam lingkungan manufaktur. Keunikan penelitian ini terletak pada kontribusi kontekstual, komparatif, dan eksplanatori terhadap literatur tentang kelincahan strategis dan keunggulan kompetitif. Penelitian ini merekomendasikan agar pembuat kebijakan mendorong pembentukan lingkungan yang mendukung, yang memfasilitasi kelincahan perusahaan manufaktur.

***Kata kunci**: Kelincahan Strategis, Keunggulan Kompetitif, Perusahaan Manufaktur, Respons Strategis, Sensitivitas Strategis.*

INTRODUCTION

Business environment is volatile, uncertain and complicated. Companies have encountered many challenges and opportunities over the decades due to technological advancements, globalisation, and change in consumer preferences. These changes will require a change in thinking regarding the old methods of management towards more dynamic and flexible approaches, which will be suitable to adopt strategic agility as a central concept of management (Ahammad et al., 2021). Previously, the business environment was relatively stable and long-term planning and inflexible strategies worked. Nevertheless, the stiff market conditions and the involvement of active market competition caused by the late 20th-century globalisation have forced companies to reevaluate their strategic decisions (Doz, 2021). The rate of technological changes in the early 21st century, and especially with the introduction of the internet and digital technology, shook up market dynamics and broke down the existing frameworks of the already existing companies.

In the modern global business world that is marked by high rate of technological change, unstable market, and stiff competition, strategic agility has become a very significant factor in organisational survival and sustained competitive advantage especially in manufacturing. Research conducted in developed economies like the United States, Germany, and Japan continuously proves that companies that are able to detect the change in the environment and react accordingly are better placed to beat competition (Shirokova, 2022; Struckell et al., 2022; Thakur & Hale, 2022). These companies also take advantage of innovative technologies, agile manufacturing and information-driven business models to redeploy resources, re-architect products and exploit new market opportunities fast. There is also empirical evidence that such strategic agility improves effective resource allocation, operational resilience, and excellent financial performance in uncertain environments.

This research is conceptually based on the theory of Dynamic Capabilities that states that competitive advantage is not attained through resource endowment, but rather through the capacity of firms to detect opportunities and threats, capture opportunities and restructure resources based on shifts in the environment. Strategic agility is a practical expression of dynamic capabilities in organisations, as the environmental awareness is transformed into the appropriate and timely strategic actions. Based on this theoretical perspective, competitive advantage comes about after firms have uniting internal strengths with the external market forces in a manner that is not based on the fixed strategic positions. In strategic agility, strategic sensing is the sensing ability of organisations. It is used to show the capacity of a firm to detect weak signals in the environment such as changes in customer preferences or trends in technology, changes in regulations or emerging competitive threats and process them as early signals of opportunity or threat (Thakur & Hale, 2022). In theory, strategic sensitivity facilitates the proactive awareness, which supports informed strategic decision-making. This is necessary in manufacturing situations especially in developing economies, where such ability is needed to predict any disruption in the market before it can be realised fully.

Strategic sensitivity is complemented by strategic response which is the seizing and reconfiguring aspects of dynamic capabilities. Strategic response means how fast, flexible and effective companies are in converting their environmental understanding into tangible strategic behavior. This involves allocation of resources fast, new technologies, supply chain restructuring and product or process adjustments in time. In the manufacturing companies, quick response to the currency changes, raw materials or changes in consumer preferences to the product are some major determinants of competitions. Conceptually, strategic response operationalises strategic sensitivity, so that perceived opportunities or threats cause value-creating responses as opposed to lying un-acted knowledge base.

However, in Osun State, most of the manufacturing companies have the traits of slow or reactive reactions to the changes in environment. Even though managers might realise that it is required to be flexible, organisational inflexibility, delays in decision-making caused by decentralisation, and inefficient distribution of resources tend to make timely strategic action impossible (Scopic, 2020). Such delays diminish first-mover benefits, raise the cost of running businesses, and destroy the capacity of firms to manage market uncertainty. This underscores the necessity to have an empirical study of the role of strategic response in competitive advantage in this particular sphere of manufacturing.

In addition to the individual dimensions, strategic agility is dependent on the organisational level capabilities like teamwork, learning orientation, employee involvement and internal coordination.

The low degree of involvement of the working population, low level of participation in the decision-making process, and inflexible resource structure inhibit innovation and productivity increase within the context of many manufacturing companies in Osun State (Burt and Nair, 2020; Ologbenla, 2022; Clauss et al., 2021). Such constraints also weaken the successful application of the strategic sensitivity and response as dynamic capabilities. Although a vast body of literature has been written both within and following the idea of strategic agility in dealing with uncertainty, as well as improving the performance (Kozachenko et al., 2022; Struckell et al., 2022), there is limited empirical evidence in the Nigerian manufacturing sector, and especially at the sub-national level. Nigerian studies have not explicitly related the dimensions of agility to the competitive advantage using a sound theoretical framework, but instead much research has done so by considering agility as a coping mechanism to macro-level disruptions (Arokodare & Asikhia, 2020; Mahmood et al., 2021). This leaves a major academic gap as it is not clear how strategic agility can be a dynamic capability in resource-restrained manufacturing settings.

In practice, this disjunction is essential, since the manufacturing companies of Osun State are critical in industrial development of the region, creation of employment, and economic diversification. In the absence of empirical findings on how strategic sensitivity and strategic response may result in competitive advantage, managers and policymakers have no practical sense to build agility-promoting strategies and conducive institutional structures. Thus, the study fills this gap by conceptually and empirically analyzing the connection between strategic agility (strategic sensitivity and strategic response) and competitive advantage among manufacturing companies in Osun State with the explicit Dynamic Capabilities Theory. In this manner, the research will provide support to the strategic agility literature by applying it to a developing economy setting as well as offer evidence-based suggestions on how to enhance the competitiveness and sustainability of manufacturing in Nigeria in the long term. The research objective is to investigate the relationship between strategic agility and competitive advantage within the manufacturing sector. Specifically, the study aims to:

i. examine the relationship between strategic sensitivity and competitive advantage in selected manufacturing companies in Osun State.

ii. evaluate the effect of strategic response on competitive advantage in selected manufacturing companies in Osun State.

LITERATURE REVIEW

Strategic agility has been highlighted in the literature on strategic agility as being important in assisting organisations to be competitive in a dynamic environment. This research is central on the dynamic capability theory. There is general consensus among scholars that strategic agility is developed on three dimensions that are interrelated including strategic sensitivity, strategic response, and collective capabilities which help firms anticipate changes and modify strategies and mobilising resources. Although comprehensive literature has been covering these dimensions in the developed economies, little attention has been paid on the application of these dimensions in the context of the Nigerian manufacturing industry.

Strategic Agility

Strategic agility is viewed as the capacity to perform well financially in fluctuating customer-centred markets (Arokodare & Asikhia, 2020). It is the continuous ability of the organisation to address the changes in the environments where it is important to be ahead with the help of adaptability and the adaptive strategy is frequently necessary (AlHumdan, 2023). The importance of being agile is particularly critical to organisations that are in a highly competitive environment. In the perspectives of dynamic capability, the authors present organisational agility as a vital asset that companies can benefit in the fast changing environment (Jafari-Sadeghi et al., 2022). Agile companies combine various portfolios of services, products, or strategies to stay competitive; although strategy agility is essentially connected with the speed of reaction to changes in the market. According to Ahammad et al. (2021), the operational flexibility of a firm to deal with turbulence within its environment leads to an improved strategic agility. Increasing the capabilities of strategic agility allows firms to identify and respond to new issues and opportunities more efficiently (Nyamrunda & Freeman, 2021). Balzano and Bortoluzzi,

(2024) points out that strategic agility means that the organisation is capable of observing novel changes in industries and to take proactive steps as a result of knowledge of the trends. It assists the firms to act quickly and conveniently in response to the opportunities and threats present in the operating environment.

The idea also exhibits the change of methods that the enterprises take according to the unpredictable business situations. To evaluate the most relevant pieces of information to the organisation and decide on actions to take and prioritise them for immediate execution adaption to the changes brought outside the organisation is important (Ekanem et al, 2023). In regards to term fixation in contrast to the former, strategic agility is concerned with the ability to be flexible and creative and with the continuous flow of opportunities and challenges (Balzano & Bortoluzzi, 2024). The other side of the equation fosters the adoption of change and its promotion as well as the promotion of comfort and innovation around the unending dynamics of improvement. In other words strategic agility enables the quick response to inter-related systems to the stimuli coming from the environment for the purpose of enhancing adoption and innovation.

The ability of a firm to perceive and identify possible opportunities and threats, and deploy and capture the opportunities while countering the threats in an agile manner, is the most commonly understood use of the term agility (Wamba et al., 2020). What is included in the organisation is the ability to respond timely to the changes occurring in the extern environment like the changes in the expectations of the customers, changes in the market trends, technological advancement and competitive actions. In this this particular research, strategic agility was captured in the response of some selected manufacturing firms in Osun state to changes that were happening internally and externally.

Competitive Advantage

Competitive advantage is the positional advantage that an organisation gains over its competitors and is what allows it to be more competitive than its competitor and to operate on a sustainable basis in the long term. It is the result of a firm's ability to create capabilities, resources or strategies that have value, are scarce and difficult for competitors to replicate or substitute (Struckell et al., 2022). In the manufacturing industry, competitive advantage can be based on product differentiation, cost leadership, innovation, running efficiency or being able to offer better customer service. Organisations with competitive advantage can secure customers, boost profitability and increase market share, in order to ensure long-term sustainability.

Competitive advantage both in internal and outsourcing is always determined by factors that are in abundance. In an organisation, efficient resource management, capacity of employees, innovation and effective leadership are some issues that are critical in defining competitiveness. At the external level, there is a necessity to react to the changing market trends, customer needs and wants, technological turbulences and regulatory requirements. According to the implications of the recent scholars, the concept of competitive advantage does not stay the same as the strategies must be regularly modified in response to the changing business environment as the ways of maintaining its market power and relevance (Haarhaus & Liening, 2020). This is a dynamic, hence, emphasizing the need to be agile, innovative, and responsive to be able to hold a higher competitive position.

Competitive advantage in the framework of this research is the capacity of manufacturing businesses in Osun State to survive and manage to operate successfully despite the unstable economy, the lack of infrastructure and stiff competition. This is demonstrated by the fact that they are able to provide greater value to the customers, efficient and can modify their strategies to the changing business environment. Therefore, the concept of competitive advantage has been regarded as a consequence of strategic sensitivity and strategic response, which is taken as a yardstick of gauging the ability of manufacturing firm to respond effectively to uncertainties in the environment and remain at a superior level of persistence in the long run.

Strategic sensitivity and Competitive Advantage

As stated by Ekanem et al. (2023), strategic sensitivity is an important characteristic in pinpointing and monitoring the prospects and dangers stemming from the internal and external business environment. Eased by Adim and Maclayton (2021) the term means the capability of an organisation to

keep an exceedingly watchful eye and react to the changing strategic with great speed and agility. Eased by AlTaweel and Al-Hawary (2021) this means the readiness to engage and interact with various contacts to access great and wide sources of data. In each of the aspects of strategic sensitivity, there is a need for these networks to remain open to ensure openness to a variety of valuable insights, information, and innovations (Clauss et al., 2021). It involves a degree of foresight and insight with insight being the more important of the two.

Strategic sensitivity is the ability of an organisation to be aware and make sense out of the subtleties of the environment for future opportunities or threats (Henry, 2021). Organisations with a high level of strategic sensitivity are interested in detecting changes in phenomena such as customer preferences, technological innovations, regulatory changes and growing pressure from competition (Dias & Lages, 2021). These organisations change rapidly, analysing the ripples of these changes and adjusting their tactics to keep ahead. This improved sensitivity usually develops in the context of a corporate environment which places greater importance on vigilance, readjustment and proactive involvement.

Adim and Maclayton (2021) define the strategic sensitivity as the capacity of being awake, attentive to perceptive changes of strategy. Strategic Sensitivity is the capacity of the organisation to adjust to the pressure from the ever-changing and volatile environment and to facilitate agility and foresight (Ahammad et al., 2021). It ensures businesses to be proactive to the expected disturbances, named Fortress events, and manage low probability unexpected events (Schuhly et al., 2020). Strategic sensitivity is therefore identified as the mechanism that is supposed to be fundamental in improving the performance and strategic decision-making of the organisation (Balzano & Bortoluzzi, 2024).

Strategic sensitivity in the context of this study is the ability of manufacturing firms in Osun State to continuously scan, interpret and anticipate the changes in their business environment like market trend, customers, technological and competitive actions. It is about a higher level of awareness and a proactive approach by the leadership and key decision-makers, so that they can pick up the early signs of the possibilities or threats and act on them. For companies doing business in Osun State where economic vagaries and infrastructural challenges are the order of the day, strategic sensitivity is very crucial for keeping ahead of the competition, the need for business strategies to match up to changing realities, and the need for sustainability of performance. It is the basis for strategic agility.

Hi_1: Strategic sensitivity has positive significant effect on competitive advantage in selected manufacturing companies in Osun State.

Strategic Response and Competitive Advantage

Response in Shin et al. (2020) was then considered strategic response. It involves an active process to be more responsive and adaptive to changing market scenario and customer needs. By taking a pre-emptive approach to find opportunities for innovation and expansion, organisations are able to not only weather challenging times but emerge with a prosperous outcome. Strategic response is the ability of an organisation to communicate effectively with all its functional departments both the external and internal departments such as its suppliers and consumers to give speedy response to any changes in business environment. In turn, Arokodare et al. (2020) defines strategic response as the ability of the organisation to restructure its activities in response to the changing business environment. According to Wenzel et al. (2020), a strategic response may be a factor in organisational competitiveness. Additionally, a strategic response assists firms in achieving their competitiveness through their partners and under various circumstances owing to dynamic capacity theory (Sajuyigbe, 2021). Later, research has established the close relationship between strategic responsiveness and the level of organisational competitiveness.

Strategic response is Management of an organisation; it is an organisational response to any slight change or threat in environment. Strategic responses hence become strategic actions linking the general objectives of the organisation and its competitive profile (Kozachenko et al., 2022). That is, there is no strategic responses that would be a reactive set of measures. Undoubtedly, they are intended behaviours geared towards shaping the future of the organization (Struckell et al, 2022). They are, therefore, capable of anything from altering the business model to allocating cash, deploying new technologies, and redeploying within the organization. Furthermore, strategic response pertains to the organization's external and internal environment. Strategic responses are forward-looking with respect

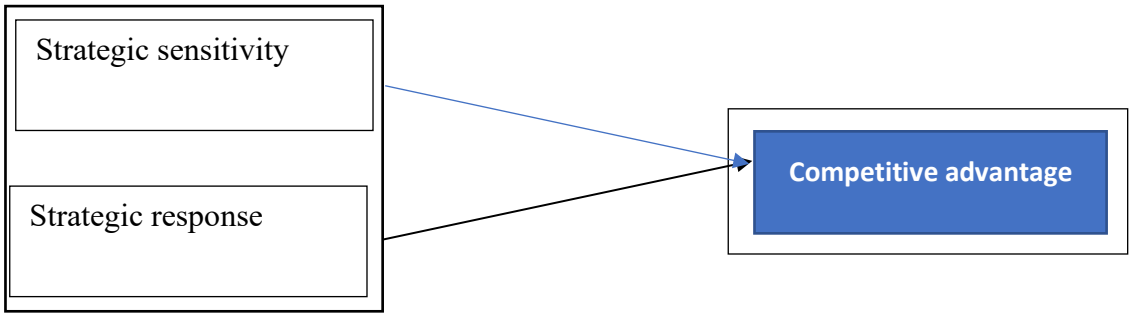
to the sustainability paradigm, which is anchored on planning for the long haul (Mahmood et al, 2021). Rather than focus on solving the problems at hand, organizations look towards shaping and positioning themselves for future success. In strategic management, responses are highly determinant of the strategic direction and performance of any focal organization within the global context of volatile and complex business environment (Haarhaus & Liening, 2020). According to Poi and Sorbarikor (2020), strategic response incorporates many of the attributes that afford organizations resilience and flexibility for sustainability in the fluid business environment, the first of which is response speed defined as the time lag between the onset of change and the organization's reaction to it, which can be external and internal (Poi & Sorbarikor, 2020). In this respect, there is no need to deliberate and stall in decision making and implementation to seize opportunities.

Strategic response in this study is the planned and well-timed response of manufacturing firms in Osun State to cope with the changes in the environment, market disturbances, and internal inadequacies impacting on their operations and performance. It includes firm strategy changes, restructurings, process re-engineering, and reassigning of resources, together with product and service innovation, as part of the process of remaining competitive and achieving organisational goals. Given the unpredictable nature of the business climate in Osun State, this study hypothesis;

Hi_2: Strategic response has positive significant effect on competitive advantage in selected manufacturing companies in Osun State.

Independent Variable
Strategic Agility

Dependent Variable
Competitive Advantage



Conceptual Framework
Fig 1: Conceptual Model
Source: Author's Conceptualisation (2025)

This study conceptualises Strategic Agility as an independent concept, which is a firm's ability to sense, respond and adjust to changes in the environment by undertaking flexible and timely strategic actions. Competitive advantage is the dependent construct, which expresses the overall effectiveness of manufacturing firms in reaching the financial and operational objectives.

Underpinning Theory

This research adopts the dynamic capability theory. Teece et al (1997) formulated the dynamic capability theory (DCT) that argues that in contrast with other types of capabilities, organisations may constantly adapt their resource base to the changes. The dynamic capabilities refer to the ability to integrate, reconfigure, and create internal and external capabilities to adapt to changing environments in a short period of time. This theory focuses on the ability of organisations to bundle and integrate their capacities into new capabilities, and this capacity is distinctive to organisations to deal with challenging business situations. Dynamic capability theory can be understood as a conception of the relationship between the resources and capabilities of organisations and its ability to survive and compete from the long-term sustainability perspective. There are three main assumptions in the framework. The first is the capacity to identify and position the environmental opportunities; the second is the ability to utilise

the opportunities most efficiently; and the third is the ability to reconfigure the assets to remain competitive (Teece et al., 1997).

Despite the acceptance and theoretical basis of dynamic capability theory, it has faced criticism. While the theory may not encompass all dimensions of sustained competitive advantage (Zahra et al., 2006), it acknowledges the contradictions and ambiguities in the literature. Additionally, the empirical measurement of dynamic capabilities has proven to be problematic. Ambrosini et al., (2009) noted that managerial perceptions play a critical role in recognising the need for change and appropriately deploying dynamic capabilities. However, dynamic capability theory remains useful in outlining the basic elements of an organisation's long-term success. It establishes a framework that assists both scholars and managers in defining strategic priorities and considerations for aligning enterprise performance in competitive global markets, moving away from the risk of zero profit resulting from market competition (Teece et al., 1997).

As the dynamic capability theory dictates, organisations need to have the capabilities to identify, capture, and reconfigure their resources in response to dynamic conditions. Strategic agility, as an expression of dynamic capabilities, is critically important for shaping organisational performance, especially in the context of a manufacturing company. It allows the business to capitalise on opportunities quickly, realign resources to achieve strategic goals, and identify shifts in the market. Through innovation and cultural adaptability, a large company can respond rapidly to shifts in consumer demands, technological developments, and market trends. This strategy puts the business ahead of competitors and trends and catches new opportunities. Lastly, strategic agility equips the manufacturing company to be the leader in innovation, set the pace for growth and improve holistically its performance in an ever more complex and uncertain business world.

METHODOLOGY

The study adopted a cross-sectional survey design, which was quantitative and it was used to determine the impact of strategic agility on competitive advantage among manufacturing companies in Osun State, Nigeria. The reason why this design was deemed suitable is that it allows the researcher to capture standardised data of a large population at one time, and strong statistical tests of relationship between variables. The research population was 2,980 top- and middle-level employees based on a finite population of eight selected manufacturing companies in Osun State. These were the managers, supervisors and functional heads who are directly engaged in the formulation of strategies, environmental scanning and also implementation of organisational responses. This category was deemed as the most appropriate since they are at the centre stage of strategic agility and competitive decision making activities. The formula of finite population employed by Dike (2015).

in calculating the sample size at a 95% confidence level and 5% margin of error was used to determine a sample size of 385 respondents. A stratified random sample was used to guarantee proper representation because respondents were categorized as top- and middle-level management in each company. A structured questionnaire which was called Strategy Agility and Competitive Advantage Questionnaire (SACQ) was used to collect data. The reason behind selecting the questionnaire is that it enables homogeneous measurement of perceptions among the respondents, and it is more effective in strategic management and organisational studies in measuring latent constructs like agility and competitive advantage.

The scale was based on the already established scales on strategic agility and competitive advantage literature, especially Doz and Kosonen (2010), Shirokova (2022) and Thakur and Hale (2022) on strategic agility and Porter (1985) and related empirical research on competitive advantage. It was adapted to suit the manufacturing environment and the Nigerian business environment, which included rephrasing of things to fit the operational realities in the country such as infrastructure limitations, policy unpredictability and competition in the market. The questionnaire was written in English because it is the official business language in Nigeria; nevertheless, the questions were simplified to make it easy to read and comprehend by the respondents. The measurements of all items were referred to a five-point Likert scale, with the range of 1 = Strongly Disagree to 5 = Strongly Agree. The questionnaire was piloted on 40 respondents who were in the manufacturing companies that were not a part of the study sample, but were in an environment similar to that of the study. The pilot study

was to estimate clarity, relevance, and internal consistency of the instrument. Cronbach alpha coefficient was used to determine the reliability of the instrument. Alpha values of all constructs are above the minimum acceptable of 0.70 which implies that there is good internal consistency and the instrument is suitable to use in the main study. The demographic characteristics of the respondents were summarised using descriptive statistics, frequencies, percentages, means, and standard deviations because they were needed to describe the distribution of the variables of study. The major inferential tool was multiple linear regression analysis, which was used to test the hypothesised relationship between the dimensions of strategic agility and competitive advantage. Statistic package of social Sciences (SPSS) was involved in all the analysis.

Table 1 Operational Definition of Variables

Variable	Dimension	Operational Definition	Measurement Source
Strategic Agility	Strategic Sensitivity	The extent to which a firm detects, interprets, and anticipates changes in its internal and external environment	Adapted from Doz & Kosonen (2010); Thakur & Hale (2022)
Strategic Agility	Strategic Response	The speed, flexibility, and effectiveness with which a firm acts on environmental insights	Adapted from Shirokova (2022)
Competitive Advantage	Cost, Quality, Responsiveness, Market Position	The firm's ability to outperform competitors through superior value creation and sustained market performance	Adapted from Porter (1985) and related empirical studies

RESULT AND DISCUSSION

A total of 385 questionnaires were distributed across the eight manufacturing companies, out of which 371 were correctly completed and returned, yielding a valid response rate of 96.4%. This exceptionally high response rate not only demonstrates the target respondents' willingness to participate but also strengthens the credibility and reliability of the dataset. In social science research, a response rate above 70% is generally considered robust (Babbie, 2020); therefore, achieving over 96% far exceeds conventional benchmarks, minimising the risk of non-response bias. This ensures that the findings are broadly representative of the population of top and middle-level employees within the selected firms. Consequently, the 371 responses formed the basis for both the descriptive and inferential analyses conducted in this study.

Table 2 Demographic Characteristics of Respondents

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	212	57.1
	Female	159	42.9
Age Group	21–30 years	74	19.9
	31–40 years	132	35.6
	41–50 years	108	29.1
	51 years and above	57	15.4
Educational Level	Diploma/OND	64	17.3
	Bachelor's Degree/HND	198	53.4
	Master's Degree	89	24.0
	Doctorate (PhD)	20	5.4

Variable	Category	Frequency (n)	Percentage (%)
Position	Manager	146	39.4
	Supervisor	118	31.8
	Functional Head	107	28.8
Years of Experience	Less than 5 years	82	22.1
	5–10 years	143	38.5
	11–15 years	92	24.8
	Above 15 years	54	14.6

Source: Authors' Conceptualisation (2025).

The demographics of the respondents are identified in Table 1. Among the 371 valid answers, more were male (57.1%) than female (42.9%). The age distribution indicates that most respondents (35.6%) fell within the 31–40 year age bracket, with the second highest number (29.1%) falling within the 41-50 year age bracket. Regarding educational level, over fifty percent (53.4%) had a Bachelor's degree or Higher National Diploma (HND), with 24.0% having a Master's degree and just 5.4% having a doctoral level education. Concerning organisational roles, 39.4 percent of the respondents were managers, 31.8 percent supervisors and 28.8 percent functional heads, considering that the study concentrated on the top and middle level employees. In terms of work experience, most of them (38.5%) were employed with 5-10 years of experience, and 24.8% had 11-15 years of work experience, with others experiencing over 15 years of work experience. This distribution implies that the respondents were sufficiently experienced and strategically located to provide valid information on concerns related to strategic agility and competitive advantage in the manufacturing industry.

Table 2: Descriptive Statistics of Study Variables

Variable	Minimum	Maximum	Mean	Std. Deviation
Strategic Sensitivity	1.00	5.00	3.84	0.71
Strategic Response	1.00	5.00	3.76	0.68
Competitive Advantage	1.00	5.00	3.88	0.70

Source: SPSS OUTPUT (2025)

The table 2 shows the descriptive statistics of the study variables. The strategic sensitivity was rated by the respondents a bit higher on average (M = 3.84, SD = 0.71), which shows that manufacturing firms in Osun State show a high level of sensitivity to the change in the environment and its new market cues. On the same note, strategic response had a mean of 3.76 (SD = 0.68) indicating that firms are moderately good in responding to their strategies and actions to market opportunities and challenges. The mean of the dependent variable, competitive advantage, was 3.88 (SD = 0.70) which shows that there is an overall view that firms may use agility to gain superior industry positioning. The standard deviations of all variables (< 1) are relatively low, indicating that responses are consistent, thereby making the dataset reliable for use in inferential analysis. These descriptive findings serve as initial indicators that both strategic sensitivity and strategic response can play a role in the development of competitive advantage. This aligns with the study's objectives of investigating the relationship between strategic sensitivity and competitive advantage, as well as testing the impact of strategic responses on the competitive advantage of manufacturing firms within Osun State.

Table 3: Reliability Analysis (Cronbach's Alpha)

Variable	No. of Items	Cronbach's Alpha
Strategic Sensitivity	5	0.84
Strategic Response	5	0.87

Variable	No. of Items	Cronbach's Alpha
Competitive Advantage	5	0.81

Source: SPSS OUTPUT (2025).

All the constructs achieved Cronbach's alpha values above the recommended threshold of 0.70 (Nunnally & Bernstein, 1994), confirming the internal consistency reliability of the measurement instruments.

Test of Hypotheses

The functional form of the regression model is expressed as:

$Y = \beta 0 + \beta 1SS + \beta 2SR + \varepsilon$ Where:

Y = Competitive Advantage

X_1 = Strategic Sensitivity

X_2 = Strategic Response

$\beta 0$ = Constant term

$\beta 1$, $\beta 2$ = Regression coefficients

ε = Error term

Table 4 Correlations

		Competitive advantage	Strategic sensitivity	Strategic response
Pearson Correlation	Competitive advantage	1.000	.764	.939
	Strategic sensitivity	.764	1.000	.758
	Strategic response	.939	.758	1.000
Sig. (1-tailed)	Competitive advantage	.	.000	.000
	Strategic sensitivity	.000	.	.000
	Strategic response	.000	.000	.
N	Competitive advantage	371	371	371
	Strategic sensitivity	371	371	371
	Strategic response	371	371	371

Source: SPSS OUTPUT (2025).

Table 4 shows the results of the correlation of the study variables. Competitive advantage showed a strong and significant relationship with strategic sensitivity ($r = 0.764$, $p < 0.01$) and strategic response ($r = 0.939$, $p < 0.01$). This means that, the more firms are cognizant of the changes in the environment and new opportunities that emerge, the more it is likely to develop and maintain a competitive advantage. Similarly, the strategic response and competitive advantage exhibit a very high correlation, implying that the capacity of manufacturing companies to adapt swiftly and implement timely measures in response to market changes is crucial in enhancing their competitiveness in terms of positioning. Another aspect that suggests the agility of the firms is the high positive relationship between the strategic sensitivity and strategic response ($r = 0.758$, $p < 0.01$) meaning that the awareness of market dynamics is converted into proactive actions.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.942[a]	.888	.888	.534

a. Predictors: (Constant), Strategic response, Strategic sensitivity

Source: SPSS OUTPUT 29 (2025)

The summary of the regression analysis is presented in Table 5. The findings reveal a strong relationship (R = 0.942) between the predictors (strategic sensitivity and strategic response) and competitive advantage. The value of R Squared of 0.888 reveals that strategic sensitivity and strategic response are able to explain a variance of 88.8 in the competitive advantage. The adjusted R square (.888) confirms the strength of the model, indicating that the strength of its explanatory power does not decrease when consideration is made of the sample size. The standard error of estimate (0.534) is not large meaning that there is a good fit and little deviation between observed and predicted values as explained by the model.

Table 6 ANOVA[a]

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	835.063	2	417.532	1462.282	.000[b]
	Residual	105.077	368	.286		
	Total	940.140	370			

a. Dependent Variable: Competitive advantage

b. Predictors: (Constant), Strategic response, Strategic sensitivity

Source: SPSS OUTPUT 29 (2025)

Table 6 shows the outcome of ANOVA test of the regression model. The results show that this model has a statistically significant value at the level of 0.000 (F = 1462.282, p = 0.001). This implies that the two predictors (strategic sensitivity and strategic response) together substantially describe the differences in competitive advantage among the sampled manufacturing firms. The fact that the F-value is high also indicates that the regression model has a strong explanatory framework, as opposed to being a chance occurrence. The outcome confirms the sufficiency of the model and recommends that strategic sensitivity and strategic response are extremely important to competitive advantage.

Table 7 Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Correlations		
Model		B	Std. Error	Beta	T	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part
1	(Constant)	.000	.077		-.003	.997	-.151	.150			
	Strategic sensitivity	.118	.026	.123	4.599	.000	.068	.169	.764	.233	.080
	Strategic response	.883	.028	.846	31.660	.000	.828	.937	.939	.855	.552

a. Dependent Variable: Competitive Advantage

Source: SPSS OUTPUT 29 (2025)

The coefficient of the regression model is listed in table 7. As the results show, strategic sensitivity (b = 0.123, t = 4.599, p < 0.001) and strategic response (b = 0.846, t = 31.660, p < 0.001) have statistically significant positive implications (effects) on competitive advantage. Nevertheless, the standardised values of beta indicate strategic response to be a better predictor of competitive advantage than strategic sensitivity. This implies that although the capacity of manufacturing companies to scan and read environmental cues (strategic sensitivity) makes a significant contribution to competitiveness, it is the company capacity to transform this knowledge into action (strategic response) that is the source of better performance results. Therefore, these study findings imply that the null hypotheses will be rejected and the alternate hypotheses will be accepted by the study that strategic sensitivity and strategic response are positively related to competitive advantage.

DISCUSSION

The findings of this research are that both strategic sensitivity and strategic response have significant positive relationship with competitive advantage of manufacturing firms in Osun State and

strategic response is stronger as a predictor. This observation is in line with the dynamic capability theory which argues that the ability of a firm to recognize threats and opportunities in the external environment and to respond decisively by efficiently restructuring its resources is critical in determining the long-term competitiveness of the firm (Ambrosini et al., 2009; Teece et al., 1997). The prevalence of strategic response in the given study underlines the importance of awareness that does not suffice but requires that the company transforms insights into actions in time to enhance the performance and be able to stay in the environment that is highly dynamic. Such findings are acceptable as per past studies, which indicate the connection between agility and the performance of firms. As an example, Vrontis et al. (2023) and Balzano and Bortoluzzi (2024) reveal that the companies that combine environmental scanning with proactive responsiveness are better placed to seize the market opportunities and preserve the competitive edge. In Nigerian condition, the given study attests that manufacturing firms that integrate sensitivity with timely response have a better ability to leverage on local market variability, which reflects the world experience on strategic agility (Ahammad et al., 2021; Kozachenko et al., 2022; Fabrizio et al., 2022). Likewise, Adomako et al. (2020) also highlight that the competencies and agility contribute to the performance of the firm and this research adds their results, by showing that the mechanism of sensitivity and responsiveness is a crucial factor not only in SMEs but also in large domestically-oriented manufacturing companies.

The research also contributes to the fact that strategic response operationalises competitive advantage. Whereas sensitivity enables firms to measure changes in the environment, it is the capability to respond to these changes that predetermine performance results. This is in line with Doz (2021) who observes that competitiveness is a result of proactive implementation of strategies as opposed to sensing. AlHumdan (2023) reinforces this demonstrating that organizational learning facilitates the connection between agility and performance, implying that companies need to institutionalize the knowledge-to-action process in order to enjoy the benefits of strategic insights. On the one hand, these findings are mostly supported by the literature, but there are certain nuances worth mentioning. To illustrate, de Diego and Almodovar (2022) observe that the strategic agility advantage depends on the size, structure, and the availability of resources of the firm, meaning that the responsiveness effect might be abridged in small or resource-starved firms. Likewise, as Fabrizio et al. (2022) warn, excessive focus on quick reaction and insufficient planning may lead to more risks in operations. However, in the current analysis, the manufacturing companies in Osun State seem to be competent enough to effectively utilize strategic response, which is in line with the results of Dias and Lages (2021) and Burt and Nair (2020), who also note the association of agility dimensions with improved performance in uncertain settings.

On the managerial side, the findings suggest that the management of manufacturing companies in Nigeria should not only enhance the environmental scanning in order to enhance the sensitivity of strategy, but also institutionalize the agile processes of making decisions and resource reconfigurations. Scenario planning, cross-functional teams, and digital monitoring systems are some of the tools that may be used to respond faster to the changes in the environment (Atienza-Barba et al., 2024; Clauss et al., 2021; Jafari-Sadeghi et al., 2022). Through this, firms are able to translate environmental knowledge into viable strategic initiatives that increase the competitive edge in stable as well as turbulent markets.

Conclusively, the study argues that strategic sensitivity is the basis of identifying opportunities and threat but it is the strategic response that translates these insights into competitive advantage. The results are the continuation of the literature on dynamic capabilities to the case of manufacturing in Nigeria and the significance of agility dimensions in attaining long-term competitiveness. It is possible that contextual variables (firm size, technological capability, and organizational culture) with the ability to moderate or mediate the role of strategic sensitivity and response on performance are studied in future research.

CONCLUSION AND RECOMMENDATION

This paper examines the correlation between strategic sensitivity, strategic response, and competitive advantage in manufacturing companies in Osun State, Nigeria. The findings indicate that the strategic sensitivity, as well as the strategic response, possess a robust impact on competitive advantage. Based on the theory of dynamic capability, the results demonstrate that companies operating in turbulent and resource-constrained conditions can not only identify the weak signals of market and

environmental changes but also act quickly and effectively to maintain competitiveness. The research consequently contributes to the field of theory by placing strategic agility in the context of a developing economy's manufacturing industry and demonstrating that agility is a key channel through which firms can gain and sustain a competitive advantage in unstable environments.

Managerial Implications

The research has a number of practical implications on the managers, practitioners and policy makers in the Nigerian manufacturing industry:

i. Companies need to decentralize decision making, enable the middle management and coordinate the various departments to enhance responsiveness and nimbleness.
ii. Companies are urged to invest in information-driven systems and tools that constantly track the customer trends, technological trends, and competitive trends.
iii. Managers need to make sure that the insights found during the environmental scanning are converted into strategic actions that can be executed in a timely manner so that firms can take the opportunities and avert the threats successfully.

These are practical steps that will improve strategic sensitivity and response efforts, which will place firms in a sustainable competitive advantage within dynamic and uncertain markets.

Theoretical Implications

The research contributes to the Dynamic Capability Theory (DCT) by confirming that it can be used in the manufacturing environment of developing economies where the uncertain environment and the scarcity of resources are dominant. Specifically:

i. It validates the fact that feeling opportunities and threats (strategic sensitivity) and responding to them fast (strategic response) are critical aspects of dynamic capabilities within unstable markets.
ii. It takes DCT beyond the developed economies, showing its applicability to it in resource-constrained and institutionally unstable settings.
iii. Further studies may be conducted on the moderating effects of leadership style, organizational learning culture, and digital transformation on reinforcing the communication between dynamic capabilities and performance in the emerging economies.

LIMITATIONS AND SUGGESTIONS FOR FURTHER STUDIES

The study was restricted to manufacturing firms in Osun State and this is likely to influence the generalization of the results to other regions or industries in Nigeria. The data were gathered at one point in time and were hard to determine the cause and effect relationships and to measure how the concept of strategic agility changes with time. These factors include the size of the firm, leadership style, organizational culture, and technological capability, which were not taken into consideration in the study but could mediate the relationship between strategic agility and competitive advantage. In future research, it will be appropriate to solve these limitations, to reinforce the knowledge of the role of strategic sensitivity and response in achieving competitive advantage under various manufacturing environments.

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