

ENVIRONMENTAL SCANNING AS A STRATEGIC TOOL FOR NEW VENTURE CREATION IN NIGERIAN CORPORATE ORGANISATIONS

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ABSTRACT

In Nigeria, most organization managers absolutely ignore scanning the turbulent and complex environments in which they operate. The absolute neglect to constantly scan the environments by organisation management often result in colossal consequences of not developing new ventures, non-identification of threats and weakness, new opportunities and strengths not improved upon, inadequate new job creation, decrease in profit base and dwindling productivity/performance of the organisation. Based on these problems, this paper examined the extent to which environmental scanning as a strategic management tool could address the problems of new venture creation and product innovation within Nigerian corporate organisations in order to sustain competitive advantage. Two firms in the South East, Nigeria plastic manufacturing industry were selected for investigation. Questionnaire was designed using five point Likert scales. Data collected were summarized in tables, percentages and, analyzed with Pearson's Product Moment Correlation Coefficient at 5% level of significance using n-2 degrees of freedom. The result was subjected to t-statistic test. It was discovered that environmental scanning has significance positive relationship with new venture creation and that product innovation is as a result of environmental scanning by the firms. Based on the findings, the study recommended that plastic firms in the South East, and Nigeria should constantly scan the environments in which they operate so as to continually innovate their products and create more ventures that will firm's sustain competitive advantage.

KEYWORDS: Environmental Scanning, New Venture Creation, Nigerian Corporate Organisations