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The Impact of External Environment, Organizational Structure, People and Technology on Performance of FMCG Companies in Nigeria

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ABSTRACT: This study investigates how the external environment, organizational structure, people, and technology impact the performance of Fast-Moving Consumer Goods (FMCG) companies in Nigeria. A quantitative approach surveyed 291 top-level managers from a population of 1207, employing a structured questionnaire and statistical analysis via SPSS, focusing on linear regression to evaluate the relationships between variables. The results indicate that all four factors significantly and positively influence organizational performance. Specifically, a decentralized and adaptive organizational structure and a dynamic external environment were strong predictors of improved performance, aligning with contingency theory principles. The findings also emphasize the importance of human resources; effective HR management practices, especially within a supportive and flexible organizational context, markedly enhance performance. Technology, while positively affecting performance, shows optimal impact when aligned with organizational structures that effectively integrate technological innovations. In conclusion, the study emphasizes the critical role of aligning external environment, organizational structure, people, and technology to boost organizational performance. Implications highlight the need for FMCG firms to adopt decentralized, adaptive structures and integrate strategic HR practices. Technological investments should align with organizational changes to maximize benefits. Recommendations include fostering adaptive structures, strategically integrating HR practices, aligning technology with organizational frameworks, and continuously adjusting organizational strategies to external environmental dynamics for sustained competitive advantage.

KEYWORDS: External Environment, Organizational Structure, Human Resources, Technology, Organizational Performance, FMCG, Nigeria.

1. INTRODUCTION

The Fast-Moving Consumer Goods (FMCG) sector in Nigeria is a cornerstone of the nation's economy, delivering important consumer products that serve to the everyday requirements of millions (Odupitan, 2017). This sector encompasses a wide range of products, including food and beverages, personal care items, household goods, and over-the-counter pharmaceuticals. Characterized by frequent purchases, cheap pricing, and high consumer demand, the FMCG industry plays a critical role in driving economic growth, producing jobs, and adding significantly to Nigeria's Gross Domestic Product (GDP). However, despite its importance, the FMCG industry in Nigeria is navigating a serious performance crisis, battling to preserve its formerly thriving position as a vital engine of economic growth and development. Once a vigorous engine of economic activity, the sector today faces substantial obstacles that jeopardise its development and profitability (Abu, 2024). Challenges arising from a chaotic external environment, organizational inefficiencies, and inefficient management of human resources have combined weakened the sector's capacity to thrive. These linked issues have led to a pervasive stagnation, endangering the FMCG sector's capacity to retain its critical position in the Nigerian economy.

The external business climate remains a substantial source of uncertainty for FMCG companies in Nigeria. Erratic government policies, poor infrastructure, inflationary pressures, and shifting exchange rates create a hostile operating atmosphere that impedes corporate operations, disrupts supply chains, and increases costs (Adebisi & Gbegi, 2013). Poor infrastructure, including inadequate road networks and unstable power supply, further affects operational efficiency, driving up production costs and reducing the sector's capacity to satisfy consumer demands effectively. Despite these problems, the FMCG sector has showed resiliency. In 2022, six significant FMCG firms in Nigeria—BUA Foods, Cadbury, Dangote Sugar Refinery, Nascon, Nestlé, and Unilever—achieved a 32.9% revenue gain of N1.470 trillion, up from N1.107 trillion in 2021 (Nairametrics, 2023). Their total profits after tax also grew by 48.5% to N205.934 billion. However, this expansion was mostly driven by shifting greater costs onto consumers, resulting in a 31.08% jump in the total cost of sales to N1.027 trillion and a 21.74% increase in operational expenses to N159.40 billion (Olatunji & Awolusi, 2020). Although operational earnings grew by 54.07% to N303.236 billion, this strategy highlighted worries about the sector's long-term sustainability, especially given diminishing consumer purchasing power. Internally, FMCG companies in Nigeria are grappling with fragmented organizational structures and ineffective management practices. Traditional and rigid hierarchies often hinder decision-making, reducing agility and responsiveness to market demands. This rigidity makes it challenging for firms to adapt to dynamic market conditions, limiting innovation and slowing down the implementation of strategic initiatives. Additionally, the sector faces a pervasive skills gap and inadequate workforce management, leading to reduced productivity, low employee morale, and limited innovation (Njanja, 2012). Misalignment of human capital, coupled with a lack of effective leadership, has further weakened the sector's competitiveness. In today's digital age, technology is a crucial enabler of operational efficiency, customer satisfaction, and competitive advantage. However, many FMCG companies in Nigeria have yet to fully harness the potential of digital tools such as automation, data analytics, and e-commerce solutions. The slow adoption of technology has limited the sector's ability to streamline operations, respond swiftly to market dynamics, and make data-driven decisions.

Performance in the FMCG sector depends on the ability to effectively manage the external environment, organizational structure, people, and technology. The success of profit-oriented FMCG firms is closely tied to their capacity to promptly satisfy the needs of customers, stakeholders, and investors. This requires a comprehensive evaluation of both financial and non-financial performance indicators, which reflect crucial financial, economic, and value-related information (Kakanda et al., 2016). However, the focus on short-term financial gains, often achieved by passing costs onto consumers, raises sustainability concerns. Sustainable growth requires a balanced approach that prioritizes profitability, consumer affordability, and long-term business resilience. Adequate attention to key performance indicators is essential for FMCG companies aiming to maintain or enhance their performance over time, a focus that has been illuminated by previous research in Nigeria and globally. While existing studies have explored the external environment, organizational structure, people management, and technology as isolated variables affecting the performance of FMCG companies, a fragmented approach fails to capture the holistic impact of these elements. Previous research efforts have largely overlooked how these factors interact and collectively influence business outcomes. Consequently, there is a critical gap in the literature regarding the integrated impact of external and internal forces on the performance of FMCG companies in Nigeria. This study, therefore, seeks to fill this gap by examining the synergistic impact of the external environment, organizational structure, people, and technology on the performance of FMCG companies in Nigeria. By adopting a holistic approach, this research aims to uncover the complex interactions that influence FMCG performance, offering actionable insights for industry stakeholders. The study's findings will contribute to a deeper understanding of the sector and support the development of strategic interventions to strengthen the FMCG sector's resilience and competitiveness in Nigeria.

2. LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Organizational Performance

Organisational performance is defined as a metric of an organization's efficiency across diverse indicators of its financial framework, including total equity and liabilities, and its operational efficacy, assessed through profitability, growth, market value, total return on investment, economic value added, and customer satisfaction, in accordance with stakeholders' expectations (Azeez & Abeyratna, 2020). Ekanem (2021) posits that performance entails the attainment of predetermined goals in accordance with organisational objectives. It is not solely the observation of an event, but the juxtaposition of outcomes with aims.

In recent decades, corporations have expanded efforts to improve operational efficiency to strengthen their long-term economic objectives (Hidayat, 2023). Researchers from several fields have recognised multiple aspects that affect business performance (Yadavav et al., (2022). Soerhardi (2022) identifies four fundamental functions of a performance evaluation system: first, it assists in determining whether the anticipated contributions from employees and suppliers are fulfilled; second, it assesses the alignment of each stakeholder group with the company's core objectives; third, it promotes the development and execution of processes that support the attainment of strategic goals; and fourth, it aids in the evaluation and oversight of strategic planning in accordance with agreements established with key stakeholders. The assessment of organisational performance includes both financial and non-financial measures, being an essential element of management control systems (Yunita & Anga, 2020).

2.1.2 External Environment

The external environment is a vital topic in organisational studies, comprising the variables outside an organisation that can profoundly influence its operations, strategy, and performance. Researchers have examined multiple aspects of the external environment to comprehend how organisations can adeptly manoeuvre and react to external obstacles and possibilities. A notable element of the external environment is the evolving character of technological progress. In recent years, swift technological advancements have transformed industries and marketplaces, impacting organisational strategy and competitiveness (Chesbrough & Teece, 2018). The emergence of digital technology and artificial intelligence has revolutionised business models, necessitating rapid adaptation by organisations to sustain relevance and efficiency (Bughin et al., 2018). A crucial factor is the regulatory landscape, which has grown progressively intricate and rigorous. Regulatory modifications in domains such as data privacy, environmental sustainability, and labour legislation have necessitated organisations to amend their policies and processes to achieve compliance and mitigate risks (PwC, 2021). Comprehending and manoeuvring through regulatory frameworks have become crucial for organisational viability and expansion.

Moreover, globalisation persists in significantly impacting the external environment. The heightened interconnection via global supply chains, markets, and competition has broadened economic prospects while presenting new dangers and problems (Ghemawat, 2017). Organisations must manage cultural disparities, geopolitical conflicts, and trade regulations to efficiently leverage global markets (Verbeke & Asmussen, 2016). The external environment comprises several aspects that influence organisational strategies and results. Technological developments, regulatory dynamics, and globalisation are critical factors that necessitate ongoing attention and adaptation from organisations aiming to succeed in a complex and linked environment.

2.1.3 Organizational Structure

Organizational structure is a crucial concept in management theory, defining the formal framework of task and authority relationships that govern the deployment of an organization's resources to accomplish its strategic goals (Daft, 2016). This framework includes the organized distribution of roles, responsibilities, and hierarchical relationships within the organization, clarifying the division, coordination, and integration of tasks (Nelson & Quick, 2007). The structure may present in multiple configurations, including centralized or decentralized systems, vertical or horizontal hierarchies, and functional or divisional arrangements (Mintzberg, 1979). Centralization concentrates decision-making authority among the higher management tiers, augmenting control while potentially hindering responsiveness. Conversely, decentralization distributes decision-making power across several levels, promoting agility and innovation. Functional structures arrange positions according to specialized functions, enhancing competence while potentially obstructing cross-functional coordination. In contrast, divisional structures organize responsibilities by product lines or geographic regions, improving flexibility and response to market fluctuations, albeit with the potential for functional duplication among divisions.

Contemporary literature has broadened the examination of organizational structure through diverse perspectives, uncovering its complex influence on organizational dynamics and performance. Boyne and Meier (2009) elucidated the factors influencing administrative intensity in public sector organizations, highlighting the significant role of organizational structure in determining administrative efficiency and effectiveness. The configuration of administrative systems significantly influences public service delivery, with more intensive structures often associated with increased bureaucratic control, potentially at the expense of operational flexibility. Shabankareh and Rastgari (2012) investigated the correlation between organizational structure and organizational trust, revealing that structural characteristics can markedly affect trust levels within the organization. Their research indicates that hierarchical and rigid systems may hinder trust by obstructing communication and collaboration, whereas more flexible structures can promote trust by encouraging openness and inclusivity. Shodiq and Ghozali (2012) assessed the alignment between organizational structure and information technology (IT) management in public sector entities, recommending structural modifications to enhance the congruence between organizational processes and technological competencies. Their research underscores the need of adaptive structural designs that meet the changing requirements of IT management, thereby allowing public sector organizations to more effectively utilize technological breakthroughs for improved efficiency and service delivery. These studies highlight the importance of organizational structure as a dynamic and context-dependent factor that governs operational mechanics and affects broader outcomes such as trust, performance, and adaptability to technological changes.

2.1.4 People

The function of people in companies is crucial, recognized for its tremendous impact on organizational success across numerous research (Boxall & Purcell, 2011; Pfeffer, 2005). Strategic human resource management emphasizes that effective management and development of people greatly boosts company performance (Becker & Huselid, 2006; Jiang et al., 2012). Central to this perspective is the concept of human capital, covering the knowledge, skills, and capacities that individuals bring to their employment (Becker, 1964; Crook et al., 2011). Organizations engaging in human capital development frequently achieve competitive advantage as these resources are difficult for competitors to replicate (Hitt et al., 2001; Ployhart & Moliterno, 2011).

Employee engagement further underlines the importance of people inside firms, indicating the emotional and cognitive commitment employees have towards their work and the organization (Kahn, 1990; Saks, 2006). Engaged employees are known to be more productive, innovative, and loyal, hence boosting company success (Harter et al., 2002; Macey & Schneider, 2008). Leadership quality, job design, and organizational culture are essential in enhancing employee engagement (Bakker & Demerouti, 2008; Schaufeli & Salanova, 2007). The literature underscores that by effectively managing human capital and promoting high employee engagement, organizations can develop durable competitive advantages and attain superior performance results.

2.1.5 Technology

Technology has emerged as a fundamental element of contemporary business, transforming organizational processes and stakeholder interactions (Nambisan, 2017). The theoretical literature underscores its crucial function in improving operational efficiency, facilitating creative business models, and promoting ongoing innovation (Bharadwaj et al., 2013; Nambisan et al., 2017). Digital technologies, including data analytics and automation, improve organizational processes and decision-making, resulting in more efficient and informed outcomes (Ransbotham et al., 2016; Wamba et al., 2017). Furthermore, technology enhances collaboration and communication within and among organizations, hence improving coordination and knowledge sharing (Kane et al., 2016; Leonardi, 2015).

Furthermore, technology acts as a catalyst for innovation and the creation of novel business models. Disruptive technologies such as cloud computing, the Internet of Things, and artificial intelligence provide opportunities for enterprises to create value and attain competitive advantages (Nambisan, 2017; Yoo et al., 2012). These technologies facilitate the development of novel products, services, and processes, hence altering conventional business models (Nambisan et al., 2017; Vial, 2019). Integrating technology has obstacles, including alignment with organizational strategy and culture, as well as resolving data protection, security, and ethical issues (Bharadwaj et al., 2013; Vial, 2019). Rapid technological improvements require continuous adaptation and investment in new competencies (Kane et al., 2016; Nambisan et al., 2017).

2.2 Empirical Review and Hypothesis Development

The impact of diverse elements on organizational success has been thoroughly examined, with special emphasis on the external environment, organizational structure, human resources, and technology. Elbanna et al. (2020) investigated the influence of the external environment and organizational structure on performance in small and medium companies (SMEs) in the United Arab Emirates. Their assessment of 300 SMEs indicated that a decentralized structure and a dynamic external environment favourably impacted organizational effectiveness. This suggests that SMEs prosper in dynamic external environments when their internal frameworks are adaptable.

Pertusa-Ortega et al. (2010) examined the role of organizational structure in mediating the connection between competitive strategy and firm performance across 110 Spanish enterprises. An organic structure enhanced the beneficial impacts of a differentiation strategy on performance, underscoring the synergy between adaptable structures and strategic positioning. Jansen et al. (2006) examined the correlation between organizational structure, ambidexterity, and firm performance in a study including 283 Dutch firms. Their findings demonstrated that a decentralized structure amplified the beneficial impacts of ambidexterity on performance, highlighting the importance of structural flexibility in facilitating dual strategic orientations.

Akhtar et al. (2021) examined the influence of human resource management (HRM) practices on organizational performance, considering employee engagement as a mediating variable and organizational structure as a moderating variable. A survey of 350 banking sector employees in Pakistan revealed that HRM policies improved performance, with employee engagement serving as a mediating factor. Moreover, the relationship was influenced by organizational structure, with the advantageous effects of HRM practices and engagement being more significant in organizations characterized by a more organic structure. This highlights the necessity of flexible structures in enhancing the advantages of HRM practices.

Neirotti and Paolucci (2019) examined the influence of information technology (IT) on organizational performance, considering the firm's structure and external environment. Their analysis of 1,500 Italian companies determined that information technology significantly impacted performance, particularly in organizations with a decentralized structure and in dynamic external settings. This discovery corresponds with the prevailing agreement that adaptable frameworks augment the advantages of technological investments. Wilden et al. (2013) examined the relationship among organizational structure, dynamic capacities, and company performance. Their examination of 220 Australian companies revealed that a decentralized structure enhanced the beneficial influence of dynamic capabilities on performance, indicating that organizational flexibility is essential for properly utilizing talents.

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Auh and Menguc (2007) investigated the relationship among organizational structure, market orientation, and business performance in 218 Australian companies. Their research indicated that a decentralized structure enhanced the beneficial effect of market orientation on performance, demonstrating how structural flexibility can optimize market response. Olson et al. (2005) examined the mediating influence of organizational structure on the connection between strategy and company performance in 236 U.S. companies. They found that an organic structure enhanced the favourable results of a prospector strategy on performance, further confirming the essential role of flexible organizational frameworks in attaining strategic success. Based on the preceding information, the following hypothesis can be formulated:

$H_0$1*: External environment has no significant effect on organizational performance of Fast-Moving Consumer Goods in Nigeria*

$H_0$2*: O rganizational performance is not significantly affected by organizational structure of Fast-Moving Consumer Goods in Nigeria*

$H_0$3*: People have no significant effect on organizational performance of Fast-Moving Consumer Goods in Nigeria*

$H_0$4*: Organizational performance is not significantly affected by technology of Fast-Moving Consumer Goods in Nigeria*

2.3 Theoretical Review

The contingency theory, proposed by scholars such as Burns and Stalker (1961), Lawrence and Lorsch (1967), and Thompson (1967), asserts that no singularly optimal method exists for organizing an organization. The suitability of organizational structures and practices depends on the particular circumstances and context in which the organization functions. This theoretical perspective emphasizes that the effectiveness of an organization's structure, human resources, and technological integration is significantly contingent upon its external environment.

Contingency theory posits that organizations operating in dynamic and uncertain settings gain advantages by using organic, decentralized structures, which provide swift adaptations to external changes (Burns & Stalker, 1961; Donaldson, 2001). Research substantiates this, indicating a favourable association between the alignment of the external environment and organizational structure with improved performance (Elbanna et al., 2020; Pertusa-Ortega et al., 2010). Elbanna et al. (2020) investigated the relationship among external environment, organizational structure, and performance in SMEs in the UAE. Their research demonstrated that decentralized structures in dynamic situations correlate with enhanced performance outcomes.

Furthermore, contingency theory emphasizes the importance of matching human resource management (HRM) practices with the organization's strategic objectives and structural configuration (Delery & Doty, 1996; Schuler & Jackson, 1987). Research indicates that HRM strategies, such as employee engagement and development, positively impact organizational performance when congruent with a suitable organizational structure (Akhtar et al., 2021; Becker & Huselid, 1998). Akhtar et al. (2021) noted that the positive effect of HRM practices on performance is enhanced in organizations with more organic structures.

Moreover, contingency theory posits that the impact of technology on organizational performance depends on the organizational structure and the external environment (Daft & Lengel, 1986; Neirotti & Paolucci, 2019). Organizations with decentralized structures in dynamic contexts are typically more adept at utilizing technology to improve performance (Jansen et al., 2006; Neirotti & Paolucci, 2019). Neirotti and Paolucci (2019) discovered that the beneficial effects of information technology on performance were more evident in organizations characterized by decentralized structures functioning in dynamic industries. Contingency theory offers a thorough framework for examining the complex interactions among the external environment, organizational structure, human resources, technology, and organizational performance. The idea asserts that the efficacy of these aspects depends on their congruence with the organization's particular contextual factors and environmental situations.

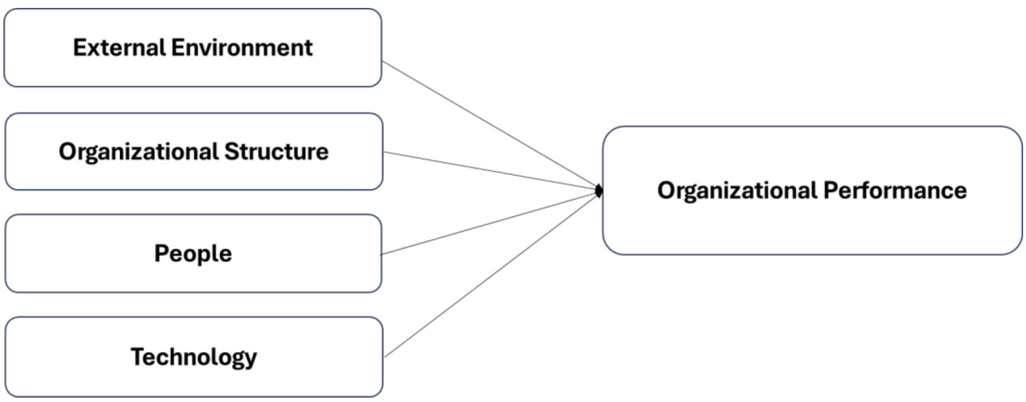

Figure 1: Conceptual Model

3. METHODOLOGY

This study adopts a quantitative research approach to evaluate the association between top-level managers' population characteristics and organizational performance in FMCG sector in Nigeria. Quantitative research is chosen because it allows for the systematic collecting and analysis of numerical data to test hypotheses and draw statistically accurate findings (Creswell & Creswell, 2017). The use of quantitative technique is justified by its potential to provide objective and quantifiable insights into the research topics, focusing on numerical data that can be methodically studied (Creswell & Creswell, 2017). By utilizing a structured questionnaire and statistical tools like SPSS (Statistical Package for the Social Sciences), this study attempts to provide empirical insights into the factors impacting organizational performance through descriptive and inferential statistical analysis.

The target population comprises of 1,207 top-level managers within the FMCG sector in Nigeria. A sample size of 291 respondents is established using a 95% confidence level, as per the requirements from the research advisor's table for sufficient representation and statistical power. This sample size guarantees that the results are applicable to the target population while upholding statistical integrity and reducing sampling error. A structured questionnaire is designed and tailored for this study, concentrating on variables pertaining to top-level managers' demographic traits, leadership styles, organizational tactics, and perceived metrics of organizational performance. The questionnaire aims to collect quantitative data suitable for analysis with SPSS for both descriptive and inferential statistics. The data collection process entails administering the modified questionnaire either electronically or in person to a chosen sample of senior managers in FMCG companies throughout Nigeria. The survey will prioritize anonymity and voluntary participation to promote honest responses and uphold ethical standards during the study process. SPSS is chosen as the principal instrument for data analysis because of its ability to manage extensive datasets and execute intricate statistical analyses, hence guaranteeing solid results and improving the trustworthiness of the study's conclusions (Field, 2018).

4. RESULTS AND DISCUSSION OF FINDINGS

4.1 Demography

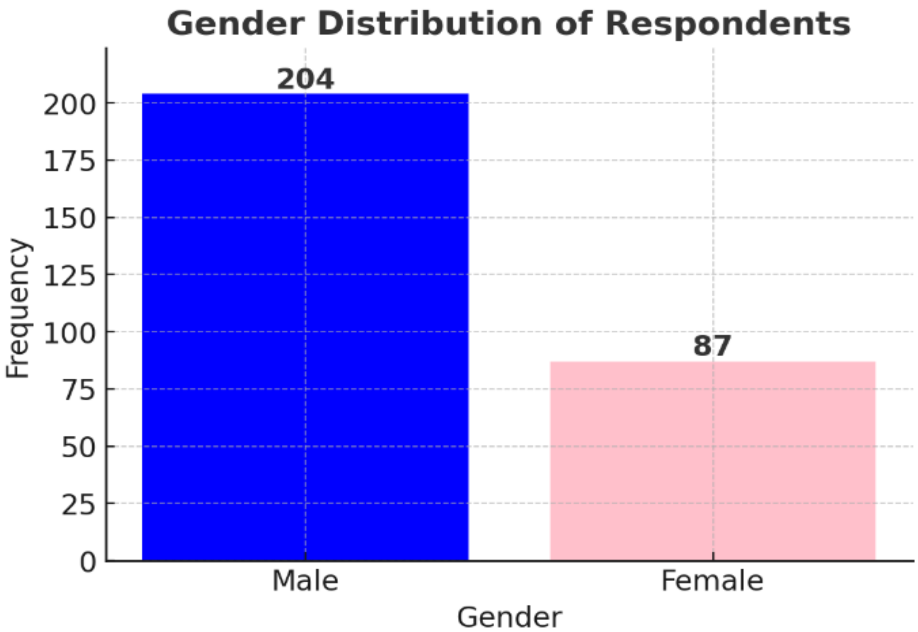

Figure 4.1 Gender Distribution

Source: Researcher’s Field Output (2024)

Figure 4.1 presents the gender distribution of the 291 respondents in the study. The results indicate that 204 respondents (70.1%) are male, while 87 respondents (29.9%) are female. This suggests that the majority of top-level managers in the FMCG sector in Nigeria are male, highlighting a potential gender disparity in leadership positions within the industry. The observed distribution aligns with industry trends, where leadership roles are often dominated by men, though female representation is still significant.

Table 4.1: Age Group Distribution

Age Group	Frequency	Total (%)
25 – 34 years	45	15.5%
35 – 44 years	90	30.9%
45 – 54 years	100	34.4%
55 years and above	56	19.2%
Total	**291**	**100%**

Source: Researcher's Field Output (2024)

The age distribution in Table 4.1 reveals that the majority of top-level managers in Nigeria's FMCG sector fall within the 35–54 years range (65.3%), indicating that leadership roles are predominantly held by mid-to-late career professionals. The 45–54 years group (34.4%) has the highest representation, followed by 35–44 years (30.9%), suggesting that experience plays a key role in securing managerial positions. Younger managers (25–34 years, 15.5%) have limited representation, while 55 years and above (19.2%) shows that older professionals still hold leadership roles but to a lesser extent. This pattern highlights the preference for experienced professionals in top management positions.

Table 4.2: Age Group Distribution

Qualification	Frequency	Total (%)
Bachelor's Degree	201	69.1%
Master's Degree	21	7.2%
Doctorate (PhD)	13	4.5%
Other	56	19.2%
Total	291	100

Source: Researcher's Field Output (2024)

The educational qualification distribution in Table 3 shows that the majority of top-level managers in Nigeria's FMCG sector hold a Bachelor's Degree (69.1%), indicating that many executives attain leadership roles with undergraduate qualifications. The Master's Degree (7.2%) and Doctorate (4.5%) categories have significantly lower representation, suggesting that postgraduate education is not a strict requirement for top management positions in the industry. Meanwhile, Other qualifications (19.2%) account for alternative certifications, professional courses, or industry-specific training. This distribution highlights the emphasis on practical experience and industry expertise over advanced academic credentials in FMCG leadership.

4.2 Regression Analysis

Table 4.3: Summary of Linear Regression Analysis for Organizational Performance of FMCG in Nigeria

Predictor	Standardized Coefficients (Beta)	Unstandardized Coefficients (B)	t-value	p-value	R²	F-statistic	Sig.
External Environment	0.34	0.45	6.43	0.000	0.29	41.34	0.000
Organizational Structure	0.29	0.37	4.63	0.000	0.24	21.41	0.000
People	0.38	0.50	8.33	0.000	0.32	55.20	0.000
Technology	0.26	0.33	3.67	0.001	0.20	13.47	0.001

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The linear regression analysis provides a comprehensive understanding of how external environment, organizational structure, people, and technology influence organizational performance in the Fast Moving Consumer Goods (FMCG) sector in Nigeria. The results indicate that all four factors have significant effects on performance, as evidenced by the statistical outputs.

The external environment has a substantial impact on organizational performance, with a standardized Beta coefficient of 0.34 and an unstandardized coefficient (B) of 0.45. The t-value of 6.43 and a p-value of 0.000 demonstrate a highly significant relationship. Additionally, an R^2 value of 0.29 indicates that the external environment accounts for 29% of the variance in organizational performance. These findings lead to the rejection of the null hypothesis (H_01), confirming that the external environment plays a crucial role in shaping performance outcomes. The dynamic and uncertain nature of the external environment necessitates more adaptable and responsive organizational strategies, aligning with the principles of contingency theory (Elbanna et al., 2020; Burns & Stalker, 1961).

Similarly, organizational structure significantly influences performance, as shown by a Beta of 0.29 and a B of 0.37. The t-value of 4.63 and a p-value of 0.000, along with an R^2 of 0.24, suggest organizational structure explains 24% of the variance in performance. This significant association leads to the rejection of H_02, indicating that a well-structured organization enhances performance. Specifically, decentralized and organic structures appear to be more effective in dynamic environments, allowing for greater flexibility and quicker response times (Pertusa-Ortega, et al. 2010; Lawrence & Lorsch, 1967).

The analysis also reveals the critical role of people in organizational performance, with a Beta of 0.38 and a B of 0.50. The t-value of 8.33 and a p-value of 0.000 highlight a highly significant effect, and an R^2 of 0.32 shows that people account for 32% of the performance variance. These findings result in the rejection of H_03, underscoring the significant impact of human resource management practices and employee engagement on performance. Effective HRM practices that align with organizational strategy and structure can significantly enhance performance, as supported by Akhtar et al. (2021) and Becker and Huselid (1998).

Lastly, technology demonstrates a significant effect on organizational performance, with a Beta of 0.26 and a B of 0.33. The t-value of 3.67 and a p-value of 0.001, coupled with an R^2 of 0.20, suggest that technology explains 20% of the variance in performance. This leads to the rejection of H_04, confirming that technology is a critical factor in enhancing performance. Organizations with more decentralized structures and dynamic environments are better positioned to leverage technology effectively, supporting findings from Neirotti and Paolucci (2019) and Jansen et al. (2009).

Thus, the regression analysis demonstrates that external environment, organizational structure, people, and technology each have a significant positive effect on the organizational performance of FMCG firms in Nigeria. The substantial p-values for all predictors provide strong evidence against the null hypotheses, affirming the critical role of these factors in driving performance. This aligns with the contingency theory, which posits that the effectiveness of organizational practices is contingent on their alignment with the external environment and organizational context. The result reveals the importance of a nuanced and adaptable approach to managing these factors to optimize organizational performance.

5. CONCLUSION AND RECOMMENDATION

This study illustrates the significant impact of the external environment, organizational structure, personnel, and technology on the performance of FMCG companies in Nigeria. The investigation, utilizing linear regression on survey data from senior managers, demonstrates that decentralized structures, responsive to a changing environment, markedly improve organizational performance. Effective human resource management practices, particularly within a conducive organizational framework and strategically integrated technology, are essential for attaining superior performance. These findings underscore the necessity of cohesively connecting organizational elements to achieve competitive advantage and operational performance in the FMCG sector.

FMCG companies should adopt more decentralized and flexible organizational structures to effectively navigate the dynamic external environment. Managers must prioritize the improvement of human resource practices that foster employee engagement, skill enhancement, and adaptability, as these are essential determinants of performance. Moreover, it is advisable for firms to strategically align their technological investments with their organizational structure to optimize the advantages of technology and foster ongoing innovation. Continuous evaluation of organizational strategies to adapt to evolving market dynamics and technological progress is crucial for sustaining competitiveness and attaining long-term success.

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