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# DEFENSIVE STRATEGIES AND FIRM'S RESILIENCE IN A DYNAMIC BUSINESS ENVIRONMENT

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**Abstract:**

The purpose of this study was to ascertain the relationship between defensive strategies and firm's resilience in a dynamic environment. The population of this study consisted of 66 senior managers 47 lower managers and 42supervisors selected from manufacturing firms that have been in operation for 5years and above. The probability sampling technique was adopted in the selection of the sample elements. The Krejcie and Morgan table was used to determine the sample size of hundred and thirteen (113) for the study. Data for the study was collected through the distribution of 113 copies of questionnaire to the respondents, out of which 81 copies were returned. All hypotheses were tested and analysed using the Pearson Product Moment Correlation Coefficient. Based on the findings from the study, it was concluded that there is a significant relationship between defensive strategies and firm's resilience in a competitive business environment. The study therefore recommended that firms should place priority on defensive strategies as means of protecting their firms from potential competitors in order to retain their market share and achieve profitability in a competitive and dynamic economic environment.

**Keywords:** Defensive Strategy, Pre-Entry Defensive Strategy, Post-Entry Defensive Strategy, firms Resilience, dynamic environment

## INTRODUCTION

In highly volatile and uncertain times, organizations are frequently confronted with unexpected events such as natural disasters, terrorist attacks or technical malfunctions (Duchek, 2020). For any organization to bring its mission to realization, it has to most importantly stay alive; which is not a cheap task owing to first, the harsh competitive environment within which it operates and secondly, the kind of individuals operating within such an organization, amongst other factors (Friday, Damiebi & Hope, 2018). Therefore, firms have to deal with global competition, new consumer behaviours and expectations, new technologies and series of unpredictable events at economic, social and institutional level. Therefore, for businesses to thrive it must show its fundamental capability to respond proactively and creatively to substantial changes that could disrupt the anticipated design of events. Without such capability it may not be able to survive for a prolonged period of time. In essence, the overall resilience of the organization is paramount, if it intends to survive (Edwinah & Frank, 2017).

It is for this reason that every act of changes, uncertainties and complexities in the environment of business confronting organizations require commensurate resilience to reduce, and/or stamp out the vulnerability and weakness of such organizations. Therefore, to survive in such an uncertain environment and to foster future success, organizations must be able to handle all of these manifestations of the unexpected. Firms need to develop a resilience capacity which enables them to adequately react to unexpected events and to capitalize on events that could potentially threaten an organization's survival (Lengnick-Hall et al. 2011 in Duchek, 2020). This is why organizations must incorporate elements of defensive strategies capable of responding to the environment or market in which it finds itself and to be able to bounce back from setbacks.

Sutcliffe and Vogus (2003) noted that the concept of resilience, whether used in the context of individuals or organizations, is generally founded on the notion of performing well, combined with the idea of difficult circumstances threatening to jeopardize such performance. Robert (2010) defines organizational resilience as "a firm's capacity to maintain or restore an

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acceptable level of functioning, despite perturbations or failures. Others view resilience as the ability to anticipate a perturbation, to resist by adapting and to recover by restoring the pre-perturbation state as much as possible. It is also viewed as the capacity of an organization to foresee, plan for, react and adjust to incremental changes and sudden interruptions keeping in mind the end goal to survive and thrive (BSI Group, 2017).

As a result of increased competitions from both domestic and global corporations, shrinking market size, and declining market growth rates, companies seek opportunities in global markets. However, the success of entry into global markets often depends on the reaction of incumbent firms already in the markets (Karakaya & Yannopoulos, 2008). The threat of competitors causing brand switching among customers or taking share of the market can sometimes seem overwhelming for a small business owner. As a result, there are steps that can be taken, however, to defend your products and your share of the market from competition (Bradley, 2019).

Bradley, (2019) asserts that defending your business strategically is about knowing the market you are best equipped to operate in and about knowing when to widen your appeal to enter into new markets. In contrast to offensive strategies which are aimed to attack your market competition, defensive strategies are about holding onto what you have and about using your competitive advantage to keep competitors at bay.

David, Micheal and Neeka, (2017) highlighted that the primary purpose of defensive strategies is to make a possible attack unattractive and discourage potential challengers from attacking another firm. Market leaders try to shape the challenger's expectations about the industry's profitability and convince them that the return on their investment will be so low that it does not warrant making an investment in that industry. Defensive strategies work better when they take place before the challenger makes an investment in the industry, or if they enter the industry before exit barriers are raised, making it difficult for the challenger to leave the industry. For this reason, an incumbent need to take timely action to discourage a challenger from making any substantial commitment, because once the commitment is made, it is more difficult to dissuade the challenger from following through with the attack especially if exit barriers are high. It is based on the foregoing that the objective of the study was to determine the relationship between defensive strategies and organizational resilience in a dynamic business environment.

## RESEARCH HYPOTHESIS

The research hypotheses were stated in their null forms:

HO1: There is no significant relationship between pre-entry strategies and firm's adaptability in a dynamic business environment.

HO2: There is no significant relationship between post-entry strategies and firm's adaptability in a dynamic business environment

## LITERATURE REVIEW

### Theoretical Review

**Hirschman's Exist, Voice, Loyalty Theory:** Since its publication in 1970, Albert Hirschman's Exit, Voice, Loyalty (EVL) model has remained one of the most influential frameworks for understanding organizational response to decline or slack. The purpose of Hirschman's (1970) EVL model was to trace the different options available to organisational members when confronted with "slack". Hirschman's model was focused on economic conditions but it has been extrapolated into organisational conditions where slack is conceptualized as the dynamic of decline that operates when a business which is not operating at its functional optimum (Gleeson, 2016).

The model posits that when responding to slack, members essentially have two potential avenues – voice or exit. In this respect, exit and voice are complementary halves in the Hirschman model. Exit is defined as the decision to leave or quit an organization or for the customer to switch to the competing product, and voice as the decision to raise one's concerns about problems within an organization or for members or customers to agitate and exert influence for change "from within." Hirschman's theorization suggests that the voice function often provides better solutions to slack than exit, but the only way to encourage voice over exit is through the cultivation of loyalty (Hirschman, 1970). Loyalty is conceptualized as the main motivator behind the decision whether or not to raise one's voice.

Hirschman's conceptual model emerges from the idea that throughout history, society has experienced times of growth and times of decay (Hirschman, 1970). The unique aspect of society is the ability "to take considerable deterioration in its stride" (Hirschman, 1970). In regard to the organisation, Hirschman argued that as a result of a flourishing society, there has been an increase in "productivity and control over the environment" (Hirschman, 1970). Therefore, there will be periods of slack or episodes of "occasional decline as well as prolonged mediocrity" (Hirschman, 1970). These periods were accepted as being one of the "penalties of progress" (Hirschman, 1970). As a result, whilst society attempts to produce a

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surplus or grow, explainable events in the organisational cycle tend to create moments described as "reparable lapses" (Hirschman, 1970).

In this context, voice acts as a tool to postpone or delay exit. From a managerial perspective, this should be a more desirable option because exit is an unreliable feedback mechanism for organisations attempting to solve quality decline. Voice, in this context, is valuable to management because, unlike exit, the voice function gives management time to reverse the decline (Hirschman, 1970). The effect of loyalty on the relationship between exit and voice is that "loyalty holds exit at bay and activates voice" (Hirschman, 1970).

Loyalty is the final dimension of the model. Hirschman defines loyalty as a "special attachment" whereby the individual who possesses it is willing to trade off the certainty of exit for the uncertainties of voice (Hirschman, 1970). Hirschman further suggests that a member is loyal because they either want to assist in changing their organisational circumstances or because they are content to remain passively loyal to their organisation with "the hope that things will get better" (Hirschman, 1970). The interplay of the three concepts turns out to illuminate a wide range of economic, social, and political phenomena.

## CONCEPTUAL REVIEW

### Defensive Strategy

A defensive strategy is a marketing tool that management uses to defend their business from potential competitors. In other words, it is a battleground where you have to fight and protect your market share by keeping your customers happy and stabilizing your profit, (Yannopoulus, 2021). Bradley, (2019) maintains that defending your business strategically is about knowing the market you are best equipped to operate in, and about knowing when to widen your appeal to enter into new markets. Defensive strategies are about holding unto what you have and about using your competitive advantage to keep competitors at bay. Defensive strategies work better when they take place before the challenger makes an investment in the industry, or if they enter the industry before exit barriers are raised, making it difficult for challengers to leave the industry. If an attack has already begun, a defending firm may attempt to lower its intensity and potential for harm, by directing the attack to areas where the firm is less vulnerable, or in areas which are less desirable to the attacker (Porter, 1985). Or they should initiate actions designed to make the entrant's life difficult after entry has occurred. This may convince the entrant that its calculations were too optimistic and its early experience in the industry is so negative that it does not warrant continuing the entry effort (Karakaya & Yannopoulos, 2011., Scherer, 1980).

Karakaya and Yannopoulos, (2008) further stressed that incumbent firms attempt to deter entry of new competition into their markets long before new competition even considers market entry.

Researchers have attempted to develop and test models for examining defensive strategies. Hauser and Shugan (1983) developed the well-known "defender model" which included a framework in using the marketing mix to optimize incumbent response to market entry of competition. They concluded that as a response to market entrants, incumbents lower advertising and distribution expenditures, decrease their price in general, but increase price in market segments with differentiated products to maximize profits.).

Therefore, the defensive strategy is mainly to discourage the challenger firms to attack, and is further divided into the pre-entry (protecting a firm by making it difficult for another firm to enter in the same industry by increasing the entry barriers, or it takes place before the market leader firm is attacked by the challenger firm) and the other one is the post-entry (making the life difficult for the competitor firm once it has entered the market).

**Pre-Entry Defensive Strategies:** Pre-entry defensive strategies are actions taken by firms intended to persuade potential entrants to believe that market entry would be difficult or unprofitable. Such actions include signaling, fortify and defend, covering all bases, continuous improvement, and capacity expansion (David, Micheal & Neeka, 2017).

In pre-market entry conditions, incumbent firms lower their prices, increase promotional expenditures, hide profits, and provide incentives for distribution channels. They also send signals of retaliatory actions or bluff their potential competitors that they will use their most effective marketing mix elements to retaliate (Heil & Walters, 1993), In addition, some incumbent firms threaten their competitors that they would attack their strategically important markets. Incumbent firms plan for long-term and utilize pre-market-entry defensive strategies that will keep competitors out of their markets. These strategies include building barriers to entry such as customer switching costs, product differentiation, cost advantages, government policy, and access to distribution channels. In building barriers, they reduce operating costs and improve product quality. Developing and implementing customer retention programmes aimed at maintaining relationships and retaining customers are also considered as a part of a long-term defensive strategy. Firms attempting to avoid confrontation reposition their products, do nothing or simply exit the market. Also, some firms announce new product introductions or

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introduce new products (Karakaya & Yannopoulos, 2008).

1. **Fortify and Defend:** Firms frequently enter an industry because existing firms earn high profits. The higher the profits earned by incumbent firms, the higher the motivation to enter. Thus, the inducement to attack can be lowered by reducing the profit expectations of the entrant (Yannopoulos, 2011). This mainly works by convincing the challenger firm that it is absolutely unprofitable to enter the market, or it decreases the profit expectations of the about-to-enter firm. This is done by creating entry barriers like location, capital requirements, access to raw materials and distribution channels etc. The related firms as an example that can use this strategy would be — aerospace and automobiles.
2. **Covering all Bases:** Also called product proliferation, entails introducing new products to ensure a full product line or to fill gaps in the market. Covering all bases may involve introducing multiple versions of a product in terms of models or product types (Yannopoulos, 2011). This also deals with the fact that the existing firms should not leave any stone unturned. That is the company comes up with all the possible variants and the product lines such that there is no room for the competitor's to introduce a new product and be outflanked by them. These kinds of brands are known as blocking brands which identify a niche or an unfulfilled need in the market which could have possibly proved to be a reason for the competitors to enter.
3. **Signalling:** The established firms in the market mainly announce or signal its next action that deters the competition to enter. This announcement can be made through the internet, news, television, speeches or in trade fairs etc. Such announcements may serve different objectives which are not necessarily mutually exclusive. They could signal commitment to the industry and therefore try to pre-empt or deter competitors. A defending firm can effectively keep potential entrants out of the industry by using the threat of retaliation. The higher the perceived probability of retaliation and its degree of severity, the lower the probability of attack by a challenger (David, Micheal & Neeka. 2017).
4. **Increase the Capacity:** Manufacturing firms may build excess capacity as an entry deterrent strategy. When a potential entrant realizes that the industry has excess capacity and its own entry will only add to the volume of unutilized industry capacity, it will be reluctant to enter. Capacity expansion is a credible deterrent strategy if capacity costs are very high. Otherwise, if the cost of adding capacity is low or capacity can be utilized for other purposes, it would be relatively easy for rivals to enter (Yannopoulos, 2011). This strategy mainly aims at building the excess capacity in a way that will deter the competitors to enter. This is because they will see that if they enter, their volume will simply add to the already built excess capacity in the industry which will practically be of no use. If entry barriers are high, then capacity expansion should not normally be used as a deterrent. On the other hand, if entry barriers are low, incumbents should consider using capacity expansion as an entry deterring device, taking into account the cost of additional capacity and its reversibility.

**Post-Entry Defensive Strategies:** Post-entry defensive strategies are actions taken by firms intended to protect their market position from companies that have already entered the market or incumbents that are threatening to take away market share. Such actions include defending position before competitors become established, introducing fighting brands, and adopting cross-parry strategies (David, et al. 2017).

In post-market entry situations, however, incumbents often adopt more aggressive measures in order to drive out the new competition. Thus, competitive actions in post-market entry situations can be more active in nature and may involve changes or adjustments in one or more of the marketing-mix variables (Karakaya & Yannopoulos, 2008).

In general, most common post-market entry defensive actions include price cutting, cost reduction, advertising, sales promotions, improving product or service, and introducing new products to combat the market entrants (Karakaya & Yannopoulos, 2008).

### Firm's Resilience

Irrespective of the various definitions of resilience, the term resilience does not have a single universally accepted definition. The complexity of defining the construct resilience is broadly recognized (Fatoki, 2018), while Duchek, (2020) stated that there is no consensus about what resilience means and which elements it contains. Most studies just point to organizational characteristics, resources, or processes that seem to be significant for resilience. This means that resilience is simply treated as an outcome when organizations perform well during crisis or bounce back from interruptions. It however, remains unclear what resilient organizations actually do and how organizational resilience may be achieved in practice (Boin & Van Eeten 2013; Duit 2016).

It is a known fact that organizations operate in dynamic, highly competitive, and unforeseen as well as an unstable environment. This environment is created and shaped by institutions, markets, trends and sometimes by natural disasters (Boin & van Eeten,

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2013). Research attention has been recently directed towards these unpredictable occurrences (Van der Vegt et al. 2015) and currently, scholars and entrepreneurs are searching for managerial solutions that should help organizations in recovering after disruptive events. One of the concepts created recently, that focuses on organizational features and processes allowing quick response to disasters in organizations is corporate resilience (Ingram & Głód 2018).

According to Hamel and Valikangas (2003) the issue of firm's resilience came about because of the need for corporations to respond to turbulent times caused by natural disaster, economic downturns, and man-made disasters. They argued that it is only those organizations that anticipate, respond to threats and ready to adapt to unexpected disruptions in the environment that can succeed. The authors asserted that successful organizations should constantly adapt and to reflect the changing external environment. The need for resilience is particularly important for organizations providing goods and services and to fashion out ways to prevent disruptions in their operations processes (Okuwa, Nwuche, & Anyanwu, 2016).

Alastir, (2010) contends that the aim of building firm's resilience in a corporate organisation is to remove or reduce the exposure of organizations to threats and hazards by developing protective measures which aim to reduce the likelihood and consequences of a disruptive event, by preventing when possible, responding effectively and efficiently when an event occurs, and by recovering as quickly and completely as possible.

Hamel and Välikangas, (2003) posit that firm's resilience means the ability to renew itself after crisis. Such adaptive capacity and renewal is the "natural consequence of an organization's innate resilience". In other words, resilience is not just stability (not undergoing change), but successfully adapting to external influences.

According to Mitroff, (2005), firms' resilience is a steadily process that supports performance in the organization and crisis situation. A set of four abilities identified by Hollnagel (2000) which define the quality of resilience are: the ability to react to different challenges; to anticipate disruptions; to learn from experience, and ability to carefully observe what is happening.

Flach, (1988) argued that for organizations to be resilient, the following are needed: a supportive environment, personal autonomy and self-esteem, emotional maturity, creative thinking, and a sense of hope for the future. Others have argued that for organizations to be resilient, it must have: improvisation, virtual role systems, the attitude of wisdom, and respectful interaction. These sources of organizational resilience are extended into seven, namely perceiving experience constructively, performing positive adaptive behaviours, ensuring adequate external resources, expanding decision making boundaries, developing tolerance for uncertainty, and building virtual role systems (Fukofuka, Fukofuka, & Tusse, 2017).

## Dynamic Environment (Adaptability)

In theory, adaptability has a direct implication on achieving success, especially in a changing environment. In the present turbulent times, when business environments are changing drastically, it is expected that this relationship between adaptability and performance is identified in most industries (Gîmeaţă, 2014). That means to survive and make profit in such turbulent time, organizations need to adapt continuously to the different levels of environmental uncertainty.

The conceptual roots of adaptation emanate from a natural integration of organizational theory and strategic management, which laid the ideas of strategic decision making and functional efficiency onto the concept of adaptation. An organization's ability to adapt is at the heart of their ability to display resilient characteristics and create advantages over less adaptive competitors. This suggests that adaptability is also linked to competitiveness. It thus, can be defined as the engagement and involvement of organizational staff so that they are responsible, accountable, and occupied with developing the organization's resilience through their work, because they understand the links between the organization's resilience and its long-term success. It is the ability of the system to respond to the changes in its external environment and to recover from damage of internal structures with the system that affect its ability to achieve its purpose.

Adaptability can also be defined as an organization's capacity to embrace change or be changed to fit an altered environment. It also represents the capability of an enterprise to react quickly to opportunities and risks and convert them into business advantage. In other words, adaptability refers to the capacity to respond to the needs of customers and clients, it could also be the ability to make optimum choices (Gîrneaţă, 2014).

The ability to adapt to changing conditions is an underlying premise of the strategic choice perspective (Gîrneaţă, 2014). The author further asserted that adaptability is the extent to which the organisation can and does respond to internal and external changes. According to them, it refers to management's ability to sense changes in the environment as well as within the organization itself. Change readiness, managerial practices that encourage innovation are ways to assess

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adaptability, but the ultimate measure is weather the organisation adapts or not when the need arises

Adaptability is a function of intelligence, enabling a self-organising body to reposition itself for a new future. The impetus for change comes from a changing external environment, and as such, adaptable actors must be responsive to changes. In short, adaptability is an internal process influenced by external forces. For adaptability to be purposeful, it must first be expressed in the form of a cognitive "virtual image" that has within it optimal variety as part of the figurative base. This variety can be enhanced through the creation of new knowledge and implementation appropriate to action.

## Empirical Review

Ung, Brahmana and Puah (2018) examined defensive strategy's effect on firm value: Evidence from Public-Listed Companies in Malaysia. This study examines the relationship between defensive strategy and firm value for a sample of 596 listed firms in Malaysia over the period 2008 to 2015. For the sake of robustness, the institutional setting is considered in this research by gauging the ownership structure. This study concludes that defensive strategy, especially retrenchment strategy, has a positive significance on a firm's excess value. This implies that defensive strategy improves the firm's performance.

David, Micheal and Neeka (2017) reviewed defensive strategies for market success. In industries in which there is strategic interaction among competing firms, companies are continuously involved in defensive strategies. After entry has occurred, it is more difficult to persuade new entrants to exit the industry. For this reason, marketing managers should use different defensive strategies for defending their positions in pre-entry and post-entry situations.

Karakaya and Yannopoulos (2008) examined defensive strategy framework in global markets. A mental models approach. The purpose of this study was to develop a conceptual framework for defensive strategy by integrating market entry modes and the typology of firms suggested by Day and Nedungandi(1994), and to attempt to propose how local incumbent firms utilize their mental models in order to react against market entry of new competition in global markets. Findings from the study shows that mental models of incumbent firms, categorized as self-centred, competitor-centred, customer-oriented, and market-driven firms, impact their reaction and the development of defensive marketing strategies against market entrants using a variety of market entry modes in global markets.

## METHODOLOGY

**Research Design:** This research adopted the cross-sectional survey which is a form of the quasi experimental design. This design was used because the study was a descriptive and empirical study.

**Population for the study:** The population for this study consisted of 65 senior managers, 47 lower level managers and 42 supervisors selected from 15 manufacturing firms in Rivers State that have been in operation for 5years and above.

**Sampling technique:** The probability sampling technique was adopted in the selection of the sample elements. The decision to use it was to ensure that every member of the study group had equal chances of being selected

**Sample Size Determination:** The Krejcie and Morgan table was used to determine the sample size for the study which necessitated the use of one hundred and thirteen (113) employees

**Data collection method:** Data for the study was collected through the distribution of copies of questionnaire to the respondents for the study. The questionnaire was divided into two parts. The section "A" involved the demographic characteristics of the respondents, while the section "B" included statement items that were used to measure the independent and dependent variables. A total of one hundred and thirteen (113) questionnaire were distributed, but only eighty-one (81) of the questionnaire were retrieved for the study

**Validity of the research instrument**: The research instrument was subjected to face and content validity. The validity of the research instrument was measured by the opinion of experts in the field of management and industry.

**Measurement Scale:** All statements items were measured with ordinal scale and ranked on a 4-point Likert scale to enable the researcher determine the existence of correlation where 4 = strongly agree; 3 = agree; 2 = disagree; strongly disagree = 1

**Reliability of the research instrument:** The Cronbach Alpha was used to determine the reliability of the statement items and analyses showed that all the items were above the bench mark of 0.70

**Hypotheses Testing--**the hypothesis was tested using the p-value method which measures the probability that the null hypothesis will be accepted. The probability value was set at a 95 percent confidence interval ($P<0.05$) correlation coefficient with the use of an SPSS v.20.0.

## Test of Significance

In testing the degree of relationship, the hypothesis was tested using the Pearson Product Moment Correlation Coefficient.

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**Questionnaire Distribution**
**Response Rate**

| **Questionnaire** | Number Distributed | Number Returned and Used |
|---|---|---|
| **Frequency** | 113 | 81 |
| **Percentage** | 100% | 72% |

The study being predominantly quantitative, generated data using the structured questionnaire. A total of 113 (100%) copies of the questionnaire were distributed to target firms within a specified time-frame. Copies were distributed through established contacts in the selected companies, and thereafter, retrieval was also accomplished through same contacts in the firm.

**Demographic Analysis**

| **Demographic** | **n** | **%** | **Demographic** | **n** | **%** |
|---|---|---|---|---|---|
| **Gender** | | | **Educational Qualification** | | |
| Male | 58 | 71.6 | HND/BSc. | 44 | 54.3 |
| Female | 23 | 28.4 | MSc./MBA | 28 | 34.6 |
| **Age** | | | PhD. | 9 | 11.1 |
| 21-30yrs | 7 | 8.60 | **Years of Operation** | | |
| 31-40yrs | 25 | 30.9 | 5-10yrs | 44 | 54.3 |
| 41-50yrs | 34 | 42.0 | 11-15yrs | 27 | 33.3 |
| 51yrs and Above | 15 | 18.6 | 16yrs & Above | 10 | 12.4 |
| **Marital Status** | | | | | |
| Single | 24 | 29.6 | | | |
| Married | 57 | 70.4 | | | |

The analysis revealed that the 58 (71.6%) of the respondents were males, while 23 (28.4%) were females. The analyses further showed that majority of employees were between the age ranges of 31-40 years representing 25 (30.9%) of participants, participants who are between 41 years and 50 years totaled 34 (42%). This was followed by age brackets of 51 years and above representing 15 (18.6%) of respondents, followed by those who were within the ages of 21-30 which was 7 (8.6%) of the respondents. The distribution further showed that the marital status of the respondent's shows that majority of the respondents were married 57(70.4%) while the respondent that were single were 24 (29.6%). The analyses further examined their educational qualification. The respondents showed that HND/BSc. holders were 44(54.3%), MSc. /MBA holders were 28(34.6%) and lastly, the PhD holders were 9(11.1%). Lastly, the table showed that 44(54.3%) of the respondents stated that their firms have been in operation within 5-10yrs, 27(33.3%) of them stated that their firm have been in operation within 11-15yrs and lastly, 16yrs and above had 10(12.4%) respondents.

**Test of Hypotheses**

This section is concerned with the testing of the hypotheses. The result was based on correlations and it was a two-tailed test. The Pearson Product Moment Correlation Coefficient statistical analysis was used to test the correlations and strength of relationship. The decision rule is to reject the null hypotheses where $p < 0.05$ significant level and accept the null hypotheses where $p > 0.05$. All bivariate hypotheses were tested in the null form.

**Relationship between Pre-Entry Strategies and Adaptability**

Correlations

| | | Pre-Entry Strategies | Adaptability |
|---|---|---|---|
| Pre-Entry Strategies | Pearson Correlation | 1 | .796** |
| | Sig. (2-tailed) | | .000 |
| | N | 81 | 81 |
| Adaptability | Pearson Correlation | .796** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 81 | 81 |

**. Correlation is significant at the 0.05 level (2-tailed).

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**Relationship between pre-entry strategies and adaptability:** The result of the data analysis shows a significant level $p < 0.05$ (0.000< 0.05). The r = 0.796, showing strong positive correlation between the variables. The findings reveal a positive and significant relationship between the variables. Hence the null hypothesis is hereby rejected and the alternate hypothesis accepted.

**Relationship between Post-Entry Strategies and Adaptability**

**Correlations**

| | | Post-Entry Strategies | Adaptability |
|---|---|---|---|
| Post-Entry Strategies | Pearson Correlation | 1 | .837** |
| | Sig. (2-tailed) | | .004 |
| | N | 81 | 81 |
| Adaptability | Pearson Correlation | .837** | 1 |
| | Sig. (2-tailed) | .004 | |
| | N | 81 | 81 |

**. Correlation is significant at the 0.05 level (2-tailed).

**Relationship between post-entry and adaptability:** The result of the data analysis shows a significant level $p < 0.05$ (0.004< 0.05). The r = 0.837, showing positive correlation between the variables. The findings reveal a positive relationship between the variables. Hence the null hypothesis is hereby rejected and the alternate hypothesis accepted.

## DISCUSSION OF FINDINGS

The analyses showed that the pre-entry and post-entry strategy have significant relationship with organizational resilience which was measured using adaptability. Pre-entry strategy showed a significant and positive relationship with adaptability showing a significant level $p < 0.05$ (0.000< 0.05) and the r = 0.796 while post-entry strategy showed a positive and significant relationship with adaptability with a significant level $p < 0.05$ (0.004< 0.05) and r = 0.837. The result of these analysis was consistent with the studies of Ung, Brahmana and Puah (2018); David, Micheal and Neeka (2017).

## CONCLUSION

This study examined the relationship between defensive strategy and firm's resilience in a dynamic business environment. In this world that is characterised with financial and economic crisis, coupled with the stiff and highly competitive and dynamic business environment, there is need for businesses to find possible ways in averting this crisis and to cope with the stiff and competitive environment. It is necessary for firms to adopt strategies that can help them cope and stay alive in business. One of such major strategies is what is regarded as defensive strategy.

Regarding the various turbulent economic and financial crises that have bedevilled the world, manufacturing firms operating in Nigeria are not exempted from their influence. As a consequence, the high level of competition in businesses has also been affected by the dynamic and turbulent business environment. Detailed literature was reviewed and analysis interestingly done in this study. It became evident that established firms continuously face attacks by new entrants, while incumbent firms are always trying to reposition themselves in order to improve their competitive position. Its purpose is to make a possible attack unattractive and discourage potential competitors from attacking. However, defensive strategies could be in the form of pre-entry strategy which are actions taken by firms intended to persuade new entrants to believe that market entry is difficult or unprofitable, while post-entry strategy defines actions taken by firms intended to protect their market position from threatening to take away their market share.

It therefore means that defensive strategy is a marketing tool that management uses to defend their business from potential competitor. In other words, it is a battleground where organisations have to fight and protect their market shares by keeping their customers happy and stabilizing their profit.

Organisations are always preparing themselves for such an event presently and such preparation alone is the main ingredient of an organisation's resilience. Sometimes, they are always preparing for the worst, and therefore, attempt at dismantling such an organization have remained a monumental task. Also, when such factors hit the organization most of the time, they tend to close down, irrespective of their resilient nature. The issue of firm's resilience arises because of the need to respond to turbulent times caused by natural or economic crises. Therefore, it is the organisations that anticipate turbulent times that could respond to threats and ready to adapt unexpected disruptions in the environment that can succeed.

As a consequence of the ongoing rivalries in the manufacturing industry, established firm's competitiveness, economic and financial crises, firms need to engage in defensive strategies to fend off the various challenges that could be posed by the dynamic and turbulent business environment. It therefore becomes evident that defensive strategies work better if they take place before the challenger commits to the

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industry by making investments or other types of commitments or before exit barriers are raised, making it difficult for a challenger to exit the industry.
Research on defensive strategies has identified numerous variables influencing a firm's decision to respond to competitive entry. Many organizations globally, have already made the shift from focusing on continuity, to one focusing on resilience. If organizations can incorporate theses defensive strategies into their businesses, this will stand them in great stead to build resilience within their organization.

## RECOMMENDATIONS

Based on the above summary and conclusions, this study therefore recommends that:

1. That management should adapt defensive strategies as means of protecting their business from potential competitors in order to retain their market shares and have the ability to achieve profitability.
2. That defensive strategies should be encouraged in order to make possible attacks from competitors very unattractive and discouraging.
3. That incumbent firms should lower prices, increase promotional expenditure to compete favourably with their potential competitors.
4. That incumbent firms should adopt more aggressive measures capable of driving out new entrants.
5. Management should anticipate turbulent times, and be ready to respond to threats and adopt to unexpected disruptions constantly.
6. In view of the changing nature of the environment, management should be able to identify the relationship between adaptability and performance in order to survive and make profit.

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