Power Distribution Quality and Business Success of Bakery Companies in Port Harcourt

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ABSTRACT
The sustained competition among business firms especially in the bakery industry has made management teams to employ veritable means of achieving their organizational goals and objectives. Electricity power distribution has become every man’s business owing to the fact that electricity has a vital role it plays in a society. This paper is focused on empirically ascertaining the relationship between power distribution quality and business success of bakery companies in Port Harcourt. To achieve the purpose of the study, two (2) hypotheses were formulated and testing with data collected from the issuance of questionnaire to 50 management staffs of 10 selected bakery firms operating in Port Harcourt. After data cleaning, all copies of the questionnaire were found valid and useful for analysis and analyzed using Pearson’s correlation coefficient with an aid of SPSS. Findings showed that service consistency had the lowest correlation with profit level. The study conclusively asserts that power distribution quality does not have a significant relationship with business success of bakery companies in Port Harcourt. The study provided a unique framework that could serve a guide to management bodies of both electrical power distribution companies and bakery managers on the issues that borders on providing quality products to their clients or customers as part of its contribution to knowledge and amongst the recommendations of the paper includes that investment policies should be adequately implemented on the supply of electrical power to gain a significant and positive correlation with business performance of firms in Port Harcourt.

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Introduction
The sustained competition among business firms especially in the bakery industry has made management teams to employ veritable means of achieving their organizational goals and objectives. Nowadays, business firms are meant to attach importance to quality phenomenon in order to survive within the competitive market structure as satisfaction could be gained from quality service delivery (Erkan, Ali., Ufuk, & Caglar, 2014).

Electricity power distribution has become every man’s business owing to the fact that electricity has a vital role it plays in a society. To an average Nigerian, electrical power supply is needed to majorly for charging of phones, ironing of clothes, brightening up home at night and to enable usability of home theatres or media devices. But for a business organization like bakery companies, this thought could be different as they are profit oriented and considers electrical power as an addendum to manufacturing processes.

One of the most important factors firms considers critical is cost of production and therefore, they ensure ways of increasing output and reduce input cost including the use of the most effective and efficient power supply. In the same vein, Brent (2015), noted that firms operating with the lowest variable costs in the industry is a strength that can be leveraged to help ramp up sales while establishing a barrier to entry by selling at a lower market price.

More also, David (2006), noted that the popularity of bakery products has played vital role that resulted to increased demand for ready-to-eat, convenience food products, such as bread, biscuits, cakes and other pastry products within the country. In this modern age, the consumption of wheat bread has risen in many developing nations like Nigeria owing to the increasing population, urbanization and the dynamic nature food habits (Onabolu et al. 1998; Oloye, 2006). Moreover, the study of bakery industry has attracted researchers such as Marie et al (2009), who stated that manufacturing bakery products occupies a special place in the processing industry and proposed a model to enhance the quality of bakery foods. Additionally, Cleanthous et al (2010), also pointed out that the bakery product is a fast moving consumer good (FMCG) and requires regular customers for regular purchases.

Obviously, most of the researcher of these studies failed to highlight the impact of powder distribution quality on the business success of bakery companies especially in cities like Port Harcourt. Hence, the current seeks to bridge these knowledge gaps with an empirical analysis of the link between power distribution quality and business success of bakery companies in Port Harcourt.

Research Problem
Over the years, among the problems associated with developing nations is the issue of low’ electrical power supply. Supportive, Onochie., Obanor., & Aliu, (2015), stated that the greatest engineering challenge in Nigeria today is the issue of the provision of steady, adequate, affordable and efficient electricity supply.
However, it necessity calls for more light to be shading on the issue of electrical power supply and its relative implication on the business sectors; and this forms the major thrust of this current study.

**Purpose of the Study**

The purpose of the study is to empirically investigate the relationship between power distribution quality and business success of bakery companies in Rivers State.

**Theoretical Foundations**

**Resource-Based View**

The resource-based view (RBV) theory a theory of firms resource management and performance that is compared with the neoclassical theory which assumes that firms produce similar products by combining similar or homogeneous mobile resources - labour and capital. The RBV postulates that firms are best known as producing heterogeneous or different products by combining different resources (Hunt, Lambe., Wittmann, 2002).

The theory holds that differences in performance of firms are a result of the diversity of their ownership and access to resources (Jap, 1999). In other words, the theory explains that firms who have access to inputs such as reputable brand image, sophisticated production equipment, effective and efficient power supply are bond to perform better than its counter parts.

**Figure 1. Research Frameworks on Power Distribution Quality and Business Success of Bakery Companies in Port Harcourt.**

**Source:** Desk research Data, 2017

**Hypotheses**

H01: There is no significant relationship between service consistency and profit level of Bakery in Port Harcourt.

H02: There is no significant relationship between service consistency and employee efficiency of Bakery in Port Harcourt.

**Review of Literature**

**Power Distribution Quality**

The concept of power distribution quality explains service delivery of electrical power supply companies. Over the years, people face the concept of the service across every stage of life through different ways and they always live intertwined with this concept as the service concept is adapted to the current society's life and is as old as the history of humans.

The ideology of delivery a quality service is an important part of the fulfillment function, ensuring that customers satisfactions of users and have serves as a great concern to organizations including the financial institutions, hospitals, public utilities (such as PHCN), airlines, retail stores, restaurants (Popoola & Fadare, 2016).

The institute of Electrical and Electronics Engineers (IEEE) defined electrical power quality as the idea of powering and grounding sensitive electrical equipment in a manner suitable for equipment with specified wiring system and other connected equipments; the importance of quality power distribution has made electricity companies to improve the power quality to enhance profitability and satisfaction of customers (Agarwal, 2017).

**Service Consistency**

Service consistency is an assessment of the degree to which electrical power supply is available for use as an input in production activities with a certain period of time. The term service consistency is same as service reliability which is referred as the degree to which an organizational service provides what was promised and when it was promised; the term has adopted by electricity service providers to evaluate their system performance using reliability as an index (i.e. the proportion of uninterrupted customer hours provided per year out of a total number of customer hours provided per year) (Dahbolkar et al., 1996).

**Business Success**

Business success is closely related with performance which is evaluated in terms of firms’ input to the goals and objectives (Johnston and Marshall, 2003; Dalrymple et al., 2004). Performance is the measure of the degree to which a business firm achieves its goals and objectives; as organizations differ, so their goals and objectives. That is, a non-profit making organization will tend to measure its performance based on its essential services rendered while a profit making organization will measure its performance on the basis of profitability, production output, customer loyalty, sales volume, market share etc (Lamberti & Noci, 2010).

**Profit Level**

Profit level is a form of profitability measure of firm’s financial measure based on whether their profit ratio is a low or high level. Profit level is the extent of an organization’s financial status which also shows if they are making profit or loss.

**Employee Efficiency**

Efficiency is defined as a well-executed task in an organization which also includes decisions taking to reduce cost, increase production and improve the quality of products; measuring employee efficiency could be done by evaluating the ratio of works done to the standard and expected out (Taheri, 2008). More also, Mohammad & Soltani (2014), identified efficiency as a measure of organizational performance or successfulness and stated that employee efficiency can be calculated based on the ratio of consumption to products.’ They added that efficiency is achieved when organizations reach their objectives by consuming few resources.

**Power Distribution Quality and Business Success**

In recent times, businesses could achieve better performance if they implement quality practices and it has become a value that makes it impossible for the business to survive and consequently continue its existence if not implemented (Erkan., Ali., Ufuk, & Cagliar, 2014). Specifically, Ozturk & Seyhan, (2005), asserted that for the businesses to be able to be successful in their transactions, win customers in a higher level in an increasingly growing competitive market structure, they need to provide products and services that can satisfy the needs of the customers. This implies that effective input system is of higher demand among manufacturing companies in order to produce quality products which also boils down to effective electrical power supply for production activities.
Further, Megbowon & Oyebisi (2005), acknowledged the fact that electrical power availability has been observed as effective and indispensable machinery for the rapid industrial and economic growth of any nation. In addition, Agarwal (2017), posited that if the power supplied to device is deficient, it leads to poor performance because a quality electrical power distribution affects performance in a positive manner.

Based on these foregoing assertions, the following hypotheses were restated as thus:

**HO:** There is no significant relationship between service consistency and profit level of Bakery in Port Harcourt.

**HO:** There is no significant relationship between service consistency and employee efficiency of Bakery in Port Harcourt.

**Methodology**

The study adopted a survey research design with a population of 10 bakery companies in Port Harcourt. With convenience sampling method, copies of questionnaire were given to only 5 staffs of each of the 10 selected bakery companies which results into a total of 50 copies distributed. Data was analyzed using Pearson’s Product Moment Correlation Coefficient with the aid of SPSS at significant level of 0.05. See table 1 below:

**Table 1. List of ten (10) selected bakery companies operating in Port Harcourt.**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Name of Firms</th>
<th>Location</th>
<th>Distributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dandas Enterprise</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Awesome Cakes ‘N’ Dess</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Gracecak ‘N’ Pastries</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Crinkles ‘N’ Cream Bakery</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>AY Custom Cakes</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Tuschaipink Cake Shop</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>Giant Pastries</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Don K’s Confectioneries</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Happy Food Limited</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>The Sugabelle</td>
<td>Port Harcourt</td>
<td>5</td>
</tr>
</tbody>
</table>

Total: 50

Source: http://m/vccomnet.com/rivers-port_harcourt/list-of-bakery_s262 on 14th July 2017

**Table 2. Correlations test of Hypotheses 1&2.**

<table>
<thead>
<tr>
<th></th>
<th>Service Consistency</th>
<th>Profit Level</th>
<th>Employee Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>1</td>
<td>211.**</td>
<td>126</td>
</tr>
<tr>
<td>Service</td>
<td>Sig. (2-tailed)</td>
<td>50</td>
<td>400</td>
</tr>
<tr>
<td>N</td>
<td>320</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Pearson</td>
<td>211**</td>
<td>N**</td>
<td>**</td>
</tr>
<tr>
<td>Profit Level</td>
<td>Sig. (2-tailed)</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>N</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Pearson</td>
<td>126**</td>
<td>N**</td>
<td>1</td>
</tr>
<tr>
<td>Employee</td>
<td>Sig. (2-tailed)</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

**.** Correlation is significant at the 0.01 level (2-tailed).

**Findings and Discussions**

Table 2 shows Pearson’s correlation of the dimensions of the independent variable (Power Distribution Quality) against the measures of the dependent variable (Business Success). Service consistency relates with profit level with a weak coefficient of *0.211 at a significant value of 0.52* (i.e. Sig.>0.05) while it relates with employee efficiency with a weak coefficient of *0.400 (i.e. Sig >0.05). Hence, the hypotheses 1 & 2 are accepted which states that service consistency does not have significant relationship between profit level and employee efficiency of Bakery in Port Harcourt while the alternative hypotheses rejected.

**Conclusion**

Based on the findings, the study conclusively states that power distribution quality has a positive relationship with business success of bakery companies in Port Harcourt.

**Contributions to knowledge**

The study provided an empirical evidence on the relationship between power distribution quality and business success. It also provided a unique framework that could serve a guide to management bodies of both electrical power distribution companies and bakery managers on the issues that borders on providing quality products to their clients or customers.

**Recommendations**

- Generally, electrical power holding companies should endeavour to provide a consistent power supply as this has been found to boost bakery firms’ production activities.
- Investment policies should be adequately implemented on the supply of electrical power to gain a significant and positive correlation with business performance of firms in Port Harcourt.
- Bakery companies should ensure constant evaluation of their employees’ efficiency which is a key indicator of their level of business success.

**References**


