Strategic Management and Organizational Performance a Survey of Selected Manufacturing Firms in Nigeria

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ABSTRACT

Extant literature has shown that strategic management influence the performance of organizations; however, studies are yet to show whether strategic management will affect the performance of manufacturing firms in Delta State, Nigeria. Consequently, this study assessed the relationship between strategic management and organizational performance of six (6) selected manufacturing firms in Delta State, Nigeria. The survey research design and questionnaire were employed and data obtained from the study were analyzed using both descriptive and inferential statistical tools. The simple regression result revealed that strategic management (strategy objective: df=1, 67, f-ratio = 19.6; strategy formulation: df=1, 67, f-ratio=12.4; strategy implementation: df=1, 67, f-ratio=17.1; and strategy evaluation: df=1, 67, f-ratio=22.4) had significant positive effect on organizational performance. On the basis of the findings, it was recommended that management should strive towards developing efficient strategies aimed at enhancing organizational performance. Also, there is the need for management of manufacturing firms to engage in proactive measures aimed at formulating, implementing and evaluating strategies that can help in improving organizational performance

Keywords: Organizational performance; Strategic objective; Strategy formulation; Strategy implementation; Strategy evaluation

INTRODUCTION

In recent times, the business environment has become very competitive mainly because of globalization, technological advancements, increased company legislations, and the ever-changing needs of consumers. Hence, the strategy or strategies employed by management have become a fundamental mechanism that can enable organizations to gain competitive advantage, survive, enhance performance and compete significantly in the marketplace (Hadi, Yanita, Hartanto & Sychanina, 2020; Abukar, 2019).

Practically, strategic management has significantly changed the conventional practices of managing the operations and activities of organizations. According to Hamadamin and Atan (2019), the strategies used by organizations' management distinguish them from others. Thus, management have to put available resources together in a manner that must enhance performance and strive to achieve competitive advantage over other competitors by putting efficient strategic management into practice (Kundu, Mor & Gahlawat, 2021).

According to Mhsen, Rabab and Khariya (2021), attaining competitive advantage position and enhancing organizational performance relative to competitors are the predominant goals organizations strive to attain. In the views of Mohamad and Rokaya (2020), strategic management largely depends on the size of the organization and stakeholders' objectives; therefore, an organization may employ a more structured strategic management model due to the size, needs and objectives of stakeholders.

Anwar and Abdullah (2021) defined strategic management as a managerial approach that seeks to offer systematic action plans in realizing the goals of the organization. Main, Mohammad and Dana (2021) saw strategic management as a continuous and systematic process of devising plans based on the mission and vision that keeps organizations on course; thus, strategies are consistent with mission and vision of an organization. Strategy, mission and vision play fundamental roles in the expression of organization's identity, the position it takes on issues facing it and its future direction (Dilip & Pakash, 2021; Reza & Razieh, 2021; Salman & Ali, 2020). Strategic management starts with the objective of strategy, strategy formulation, implementation and evaluation (Emeagwal & Ogbonmwam, 2018; Hadi, et al, 2020).

Aburumman, Salleh, Omar and Abadi (2020) asserted that strategic management utilizes the principles and processes of management to identify corporate objective of the business, which of course is mainly poised towards shareholders' wealth maximization paradigm. According to George, Walker and Monster (2019), to be able to realize the shareholders' wealth and/or performance paradigm, efficient strategic management is a prerequisite; however, this study focuses on the organizational performance paradigm vis-à-vis, the role of strategic management.

In the literature, organizational performance is defined in terms of both financial and non-financial performance (Ososuakpor & Okoro, 2023; Okoro & Ekwueme, 2020; Okoro & Ekwueme, 2018). Non-financial performance refers to the benefits resulting from the functioning and day-to-day operations of an organization while financial performance is the benefits result from the financial operations of companies such as but not limited to variables like firm-level (profitability) and market-based (shares) performances (Okoro & Egberi, 2019; Okoro & Egberi, 2020). However, this study sees organizational performance as the standard and prescribed measures of effectiveness, efficiency and environmental responsibility like cycle time, productivity waste reduction and regulatory compliance. Hence, the study is anchored on non-financial performance measure as it concerns how strategic management influences it.

Prior empirical studies (see Hadi, et al, 2019; Abukar, 2019; Mohamad &Rokaya, 2020; Kundu, et al, 2021; Mhsen, et al, 2021) had shown that there is a relationship between strategic management and organizational performance in both developed and developed countries. However, there are limited researches that had shown if strategic management relates with organizational performance of manufacturing firms in Delta State, Nigeria; a gap, which this study attempts to satisfy.

Statement of the Problem

The major aim of every organization is to ensure that goals are efficiently accomplished. Thus, managers in both private and public organizations are becoming increasingly aware that acritical source of competitive advantage often comes from indigenous product and services. Organizational pool its resources together such men, machines, materials, money, information and time for the purpose of ensuring that organization makes profits for its shareholders and continue to operate in spite of competition in the business environment.

More worrisome is the fact that the environment in which business operates is so dynamic and turbulent with constant changes (orchestrated by globalization, stern competition, and technological advancements), which makes most strategies of organizations irrelevant and unable to realize targeted goals. Again, this has further affected the way organizations are thinking. One of the major problems of strategists is the understanding of the competitive environment and interpretation of the effects of competition on organizational outcomes like performance, productivity, commitment, quality of service, among others.

Consequently, organizations need to put some strategies in place and take some actions by improving product quality, productivity, reducing production costs, promoting product and process innovation and improving production speed to the market and customers' goodwill in order to compete favorably in the marketplace (Muogbo 2013).Hajara (2011); Hadi, et al, (2019); Mohamad and Rokaya, (2020); noted that the major problems organizations are facing today is lack of precise/clear definition of strategic objectives, inability to formulate effective strategies, poor implementation and evaluation of strategies.

Organization therefore needs to take cognizance of this issue and manager must be familiar with how they can set clear objectives, formulate, implement and evaluate their strategies in order to remain ahead of competitors. More so, there has been limited studies on how strategic management (particularly, how strategic objective, formulation, implementation, and evaluation) affects the performance of manufacturing firms in Delta State in Nigeria; these formed the justification to conduct the study.

Hypotheses of the Study

The following research hypotheses were formulated based on the specific objectives and research questions:

H_o1: Strategic objective has no significant effect on the performance of manufacturing firms

H_02: Strategy formulation has no significant effect on the performance of manufacturing firms

H_03: There is no significant link between strategy implementation and the performance of manufacturing firm

H_04: There is no significant link between strategy evaluation and the performance of manufacturing firms

REVIEW OF RELATED LITERATURE

Strategic Management

Strategic management can simply be defined as a set of management decision and actions that result in the formulation and implementation of strategy designed to achieve a company's objectives (Wheelen & Hunger 2007) Thompson and Strickland (2009), advocated that strategic management is the process whereby managers establish an organizations long term direction set specific performance objectives development strategic to achieves in the light of all the relevant internal and external circumstances and undertake to execute the chosen action plans. In other words, managers responsibility is to strategically set objective, formulate plans and implement them to ensure that the strategic objectives are successfully in the competitive business environment.

Dess et al. (2007) stated that strategic management consists of the analysis, decisions and actions an organization undertakes in order to create and sustain competitive advantage. They explained that the definition captures two key elements of strategic management first, the strategic management of an organization entails three (3) ongoing process analysis, decisions, actions. This implies that strategic management is concerned with the analysis of strategic goals (vision, Mission and strategic objectives) along with the analysis of the internal and external environment of the decisions. Second the essence of strategic management is the study of why some firms outperform others. So, managers need to determine how a firm is to compete so that it can obtain advantages that are sustained over a lengthy period of time. Thirdly, strategic management is a brilliant and careful exercise aimed out-smarting competitors and actualizing organizational goals.

Strategic management is an on-going process that evaluates and controls the business and the industries in which the firm is involved, assesses its competitors, set goals and strategies to meet all existing and potential competitors and then researcher each strategy to meet charged circumstances new technology, new competitors, a new economic environment or a new social financial or political environment (Muogbo, 2013).Institution of strategic management of Nigeria (2010), defined strategic management as an integrative process of management in which all managers of an organization engage in continuous rethinking and auditing of themselves, the organization and the environment and in developing, in planning, implementing and controlling the organization direction strategic and programmes aimed at effecting positive changes, building completive advantage and achieving all the time successful performance.

Strategic management is involved in deploying a firm's internal strengths and weakness to take advantage of its external opportunities and minimize its external treats/problem (Adeleke, Ogundele & Oyenuga, 2008). Thomas and Strickland (2003) defined it as the managers tasks of crafting, implementing and exciting company in its chosen market arena, competing successfully, pleasing customer and achieving business performance. Strategic management practices are very paramount to every organization most especially the manufacturing firms because strategy formulation activities enhance the firm's ability to [prevent problems since managers who encourage subordinates give attention to planning are aided in their monitoring and forecasting responsibilities by subordinates who are aware of the needs of strategic planning. Strategic management is considered to be fundamental in determining performance. Strategic management is an ongoing planning, monitoring, analysis and assessment of all necessities an organization to meet its goals and objectives (Abell, 2018)

Strategic Management is a deliberate section of a different set of activities to deliver a unique mix value as a means of gaining competitive advantage. The process, however, is influenced by both internal and external factors. Strategic management as a process is increasingly seen as a society accomplished activity aimed at achieving some strategic goals and built upon through actions and interaction of multiple actors or groups distributed throughout an organization (Henry et al, 2003) noted that people at all levels not just senior managements, need to participate in strategic management, scanning the environment for helpful information, suggesting changes to strategies and programmes to take advantages of environment shifts, and working with others to continuously improve work methods and procedures, and evaluation techniques.

In their opinion, Adeleke, Ogundele and Oyenuga (2008) refer to strategic management as the process of examining both present and future environments, formulating the organizations objectives, implementing and controlling decision focused on achieving these objectives in the present and future environments. Conclusively, strategic management is involved in deploying a firm internal strengths and weakness to take advantages of the external opportunities and minimizes its external threats/problems.

Dimensions of Strategic Management of the Study

Strategic Objective

Specific performance targets are needed in all areas affecting the survival and success of an organization, and they are needed at all levels of management, from the corporate level on down deep into the organization's structure. The act of establishing formal objectives not only converts the direction an organization is headed into specific performance targets to be achieved but also guards against drift, aimless activity, confusion over what to accomplish and loss of purpose. Objectives and goals can be stated what is to be achieved and when results are to be accomplished but they do not state how the result is to be achieved according to Quinn and Ghoshal (1999).

An organization can have many specific objective and goal in every period Quinn and Ghoshal (1999). Objectives are the final results of planned activity. They should be stated as action verbs and tell what is to be accomplished by when a quantified if possible. The objective specifies the organization's mission. The achievement of corporate objectives should bring about the fulfillment of a corporation's mission. Wheelen and Hunger (2006) noted that both short-run and long-run objectives are needed. The strategic objectives for the organization as a whole should at a minimum specifying the market position and competitive standing the organization aims to achieve, annual profitability targets, key financial and operating results to be achieved through the organization's chosen activities, and any other milestone by which strategic success is measured.

Strategy Formulation

Strategy formulation includes defining the corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines. it is achieved by reviewing key objectives and strategies of the organization, identifying available alternatives, evaluating the alternatives and deciding on the most appropriate alternative Wheelen and Hunger, (2008). The process of strategy formulation is mainly carried out at three levels, which include the corporate level, business level and the functional level. The lower-level managers drive the functional strategies, which have short-term horizons and relate to a functional area (Macmillan and Tampoe, 2000).

In order to generate strategies, a previous analysis of the organizations that evaluate the definition of goals, the analysis of the situation and the planning must be carried out. Any company, regardless of the size, kind of industry, business segment, or country where its activities are developed, must have a process that allows the disposition of a methodology to formulate strategies. According to Sadler (2003), this methodology initiates with the formulation of the strategic planning, defined as the way to diagnose and analyze the current competitive position and strategic problems that are affecting the company. A correct formulation of the strategic planningmust start by identifying the current competitive position and market of the company, which allows guiding in a better way the destiny of the company. According to Masoud (2013), through the formulation of the strategic planning, it is possible to identify the areas that require improvements in its strategies and, at the same time, align them with the functional competences and compare them with the initial strategy, if it exists.

For Van der Kolk and Schokker (2016), the control of management are all the guarantees that directors must give to ensure that the behavior of the employees is consistent with the objectives and strategies of the organization; this definition is built based on what is said in Merchant and Van DerStede (2007), Malmi and Brown (2008). In formulation of the strategic planning, the different manager hierarchy and the management control system have a considerable influence. In the first stage of the discussion, the strategy is formulated by the senior managers on behalf of the owners, based on the consideration of the resources and an evaluation of the internal and external environment in which the organization competes Hyvari (2016); the middle and lower managers are restricted to the implementation of the strategy.

The function of management control system is to support the implementation of the strategy proposed by the middle and lower managers. On the contrary, Mintzberg (1997) states that the strategies must not necessarily formulated by the senior managers but initiated by the lower levels of the organizations; this type of strategy is known as emergent. Mintzberg (1994) states a form to classify strategies, which identifies planning(i)Strategy as a plan: marks the direction or course of action in the future. Those are guides to address a specific situation. These strategies have two essential characteristics: they are elaborated before the actions in which they will be applied. They are developed consciously and with a specific purpose. These can be general or specific. (i) Strategy as an action guideline: type of maneuver to beat rivals in competitive situations or negotiations.

The strategic formulation process continues with the implantation, evaluation, and control. Even the best strategies could not reach success, if the administration fails, either when implanting them or when evaluating their results. For David (1989), Strategic adaption is a clear and practical approach for formulation, implementation, and evaluation strategies, which in turn are subdivided in different stages and activities, all pointing to the attainment of the organizational objectives, by means of the obtaining of competitive advantages. Thompson and Strickland (2004) state that the strategic adaption model has a fundamental purpose to convert the administrative guidelines of the strategic vision and the mission of the business in indicators of specific performance, in results and consequences that the organization wants to achieve.

Formulation of strategy is the advancement of long-term tactics for proper administration of threats and opportunities considering organizational weakness and strengths (Stevenson 2012} this is usually done when critical scanning of the business environment has been carried out. It takes into consideration defining institution`s mission, stipulating attainable goals, coming up with guidelines covering policy.Strategy formulation is the developed phase of long-term plans for the effective management of environmental opportunities and threats on the principle of companies' strengths and weaknesses. It comprises defining the corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines.

Strategy Implementation

Strategy implementation, also called operational planning, is a series of steps through which policies and strategies are put into action by way of programs' development, budgets and action Skokan et al, (2013). This feature is characteristically steered by middle and lower- level managers with assessment by top management. A program is a account of the events or stages/phases required to achieve a single-use plan, a budget lists the comprehensive cost of every program, and dealings are consecutive steps or methods that define in detail how a specific task or trade is to be completed Wheelen& Hunger, {2007).The managers of subsection and work areas working with their fellow managers to progress programs, budgets and measures for application of strategy Johnson and Scholes, (2002). They also put in effort to attain combined effect amid the divisions and subsections areas in order to find and uphold a business's competitive edge.

A perfect strategy may be totally unworkable after implementation programs are glided in detail. These are system of consecutive steps or procedures that define in-depth on how a specific task or work is to be done. One of the objectives to be attained in strategy implementation is combined effect amid roles and units of business, which is why businesses usually rearrange after gaining power (2002). According to Mintzberg and Quins (2004), 90% of well-formulated strategies fail at implementation stage and only 10% of formulated strategies are successfully implemented. The successful implementation of strategy is fully dependent on involvement of all the stakeholders in an organization. Communicating progress of implementing the strategy to the stakeholders will assist them in determining whether corrective action is required (Pearce and Robinson, 2008). Njagi and Kombo (2014) examined the effect of strategy implementation on performance of commercial banks in Kenya; results revealed that there was a strong relationship between strategy implementation and organizational performance.

Furthermore, when you have strategies and policies, you need put them into action through the development programs, budgets and procedures. This process is called strategy implementation. It might contain changes within the overall structure, culture, and management system of the entire company. The programs, budgets and procedures are three approaches in the strategy implementation. Wheelen and Hunger (2006) acknowledge that a program is a statement of the activities or steps needed to accomplish a single-use plan. It is the orientation of strategy. Also, a budget is a statement of a corporation's programs in terms of money. It is used in planning and controlling a budget lists the detailed cost of each program. At last, Procedures are a system of sequential steps or techniques that describe in detail how a particular task or job is to be done. (Wheelen and Hunger 2006)**.** Putting the strategy into place and getting individuals and organizational subunits to go all out in executing their part of the strategic plan successfully are essentially an administrative task. This implies several managerial challenges, such as:

Building an organization capable of carrying out the strategic plan; developing strategy-supportive budgets and programs; linking the motivation and reward structure directly to achieving the targeted results; creating an organizational culture that is in tune with strategy in every success-causing respect; developing an information and reporting system to track and control the progress of strategy implementation and installing policies and procedures that facilitate strategy implementation. Developing an action agenda for implementing and executing the strategy involved managers at all levels, deciding on answers to the question "What is required for us to implement our part of the overall strategic plan and how can we best get it done?" doing this task well means scrutinizing virtually every operating activity to see what actions can be taken to improve strategy execution and to instill strategy-supportive practices and behaviour. The administrative tasks of implementing and executing the strategy involve a process of moving incrementally and deliberately to create a variety of "fits" that bring an organization's conduct of its internal operations into good alignment with strategy.

Broadly viewed, the management's task of strategy implementation is one of scrutinizing the whole internal organization to diagnose what strategy supportive approaches are needed and what actions to take to accomplish them. Then the different pieces of the implementation plan need to be arranged into a pattern of action that will produce orderly change (from the old strategy to the new strategy) rather than creating disruption and dissatisfaction with the way things are being handled. Both the sequence of actions and the speed of the implementation process are important aspects of uniting the entire organization behind strategy accomplishment.

Strategy Evaluation

Strategy evaluation involves setting control processes to continuously review, evaluate and provide feedback concerning the implemented strategies to determine if the desired results are being attained such that corrective measures may be taken if needed. After implementation period, how can we know whether the result is good or not? Therefore, we cannot skip evaluation and control. It is a process in which organization activities and performance results are monitored so that actual performance can be compared with desired performance. Performance is the last result of activities; it involves the actual outcomes of the strategic management process (Wheelen & Hunger, 2006). Neither strategy formulation nor strategy implementation is a once-and for- all-time task. In both cases, circumstances arise which make corrective adjustments desirable.

Strategy may need to be modified because it is not working well or because changing conditions make fine-tuning, or even major overhaul, necessary. Even a good strategy can be improved, and it requires no great argument to see those changes in industry and competitive conditions, the emergence of new opportunities or threats, new executive leadership, a reordering of objectives and the like can all make a change in strategy desirable. Likewise, with strategy implementation there will be times when one or another aspect of implementation does not go as well as planned, making adjustments necessary and changing internal conditions, as well as experiences with current strategy execution, can drive different or improved implementation approaches.

Testing out new ideas and learning what works and what doesn't through trial and error is common. Thus, it is always a compulsory task for managers to monitor both how well the chosen strategy is working and how well implementation is proceeding, making corrective adjustments whenever better ways of doing things can be supported. The function of strategic management is ongoing, not something to be done once and then neglected.

According to Uhl and Gollenia(2016), the strategic evaluation consists of measuring the impact that has had the strategic planning, opening the possibility of taking the necessary corrective actions. This process serves the organizations for knowing and analyzing if the proposed actions are really directing the company in the right direction. The processes of strategic evaluation are made through the analysis of quantitative and qualitative data Van der Aalst, (2016). The quantitative approach allows understanding the results in light of the investment and the growth forecasts; the numerical part of the results is measured starting from the key performance indicators (KPI).

The qualitative approach allows us to understand causes and consequences and interpretation of situations beyond numbers; this type of analysis will serve to know the effectiveness of the strategy and the departments of the organization that need corrective actions. For the strategic evaluation, according to Cokins, (2017), all those factors coming from the environment, being threats or opportunities, that directly affect the operation of the strategy and that require an effective response must be considered. According to Haynes et al (2016), Rugman and Verbeke, (2017), the processes to evaluate strategies are specifying the processes and the most important results to supervise and evaluate for measuring them in an objective way;

establishing performance standards that make the difference between what is acceptable and what it is not; and compare the real performance with the expected one and apply the pertinent corrective actions Chang, (2016).

Organizational Performance

Organizational performance is defined by Locke and Lathan (2002) as the sum of the economic results of activities that an organization undertakes. It is an organizational ability to acquire and utilize its scarce resources and valuables or expeditiously as possible in the pursuit of its operational goals (Griffins, 2006). Organizational performance is concerned with the overall productivity in an organization in terms of stock turnover customers profitability and market share. The concept of organizational performance is core to businesses because the major objectives of businesses is to make profit. In an institution, performance is viewed as the accomplishment the body in achieving valued outputs, for instance high returns, Muhoh (2016).

Organizational performance has been based upon the notion that firm is a voluntary association of productive asset; including human, physical, technological and capital resources in order to accomplish a common goal. Richard et al (**20**) state that organizational performance encompasses three specific areas of firm outcomes: financial performance (profit, return on assets and return on investment etc.). market performance (sales, market shares) and shareholders return (total shareholder return, economic value-added etc.). the successful performance of manufacturing firms does not only depend on good economic performance, but rather on the way the businessmen and employees work together and fulfill their activities and objectives in a joint and coordinated manner.

According to Odhiambo (2009) there are three approaches to performance in an organization and they are goal approach, which states that an organization pursues definite identifiable goals. This approach describes performance in term of the attainment of these goals. The second approach is the systems resource approach and this defines performance as a relationship between an organization and its environment. This concept defines performance according to an organizations ability to secure the limited and valued resources in the environment. The third approach is the process perspective which defines performance in terms of the behavior of the human resource of an organization (Waiganjo et al, 2012).

Kiragu (2005) highlights performance in terms of four perspectives which are the financial, customer internal processes and innovativeness. The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cashflow and working capital (Odhuno and Wadongo, 2013). The customer focus describes performance in terms of brand image, customer satisfaction, customer retention and customer profitability. Internal processes involve the efficiency of all the systems in the organization while innovativeness is all about the ease with which a firm is able to adapt dynamic condition.

Organizational performance is used in three time: sense, the past, the present and refer to something completed, or something happening now or activities that prepares for new needs. Financial or profitability is often regarded as the ultimate performance indicator, but it is not the actual performance. Firms' performance is the measure of standard or prescribed indicators of effectiveness, efficiency and environmental responsibility such as, cycle time, productivity waste reduction, and regulatory compliance. It can also refer to the metrics relating to how a particular request is handled, or the act of performing, or doing something successfully using knowledge as distinguished from merely processing it. However, firms must achieve and maintain competitive edge (Arain & Low, 2005).

Interestingly, most practitioners and scholars argue that strategic planning offers organizations with a competitive edge and the capability to continue in business despite rivals being in play. The need to comprehend that appropriate level of performance is imperative since it allows the business to recognize its current position and come up with strategies to improve business operation (Siddique, 2015).

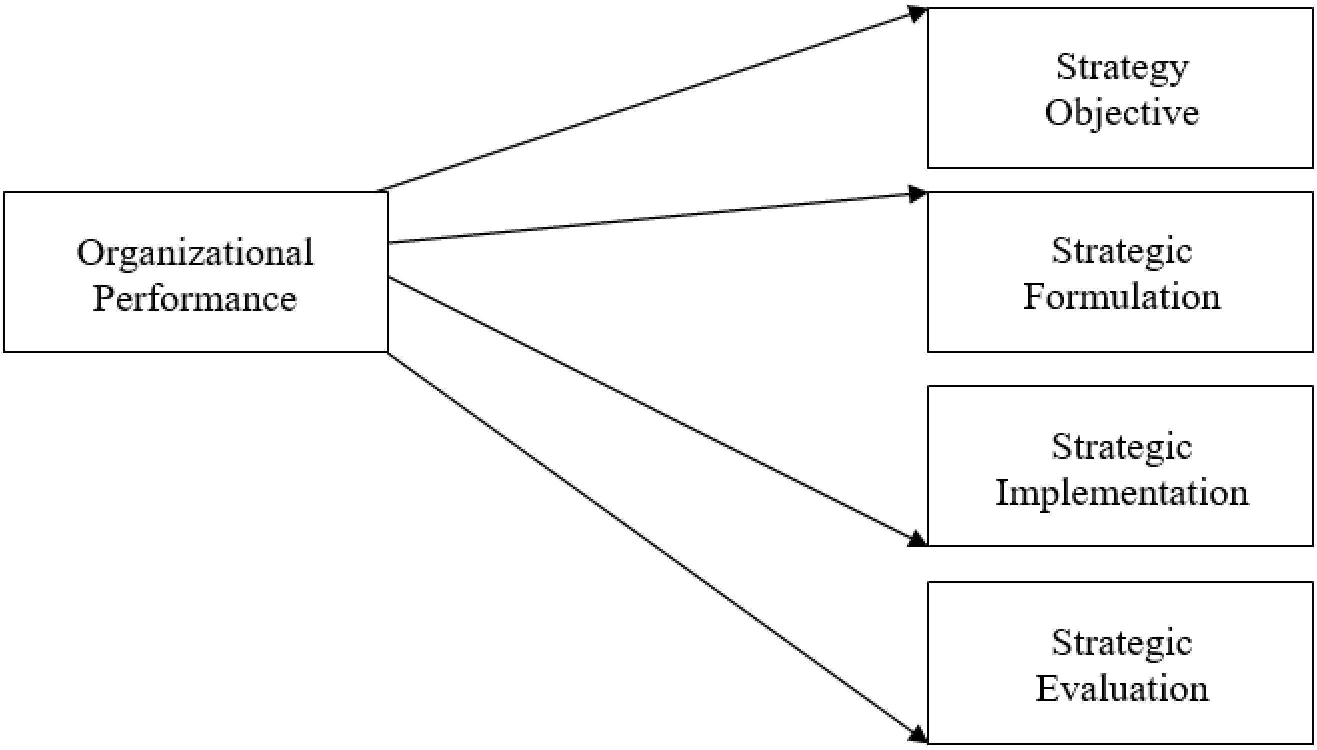

Figure 1: Conceptual Model of Study

Source: Researcher (2024)

Theoretical Framework

The theoretical framework of this study is anchored on the resource-based theory. The resource-based theory emanates from the principle that the source of firm's competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. That is rather than simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses (Barney, 1995). The resource-based approach of the firm predicts that certain types of resources owned and controlled by firms have the potential to generate competitive advantage as well as superior firm performance.

The resource-based approach stipulates that in strategic management the fundamental sources and drivers to firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly-to-copy (Peteraf and Bergen, 2003). Firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive and implement strategies that improve its efficiency and effectiveness (Barney, 1995).

RESEARCH METHOD

In this study, the survey research design was adopted because the study is concerned with assessing the perception of people on the role strategic management plays in enhancing the performance of organizations. In view of the above, this study employed questionnaire in obtaining the viewpoints of employees of some selected manufacturing firms in Delta State, Nigeria.

The study population comprised of the employees of six (6) manufacturing firms in Delta State:

This study used Taro-Yamane (1964) sample size formula in obtaining a sample size of 69 respondents. Furthermore, the proportionate sampling was used in distributing the sample size of sixty-nine (69) among the six (6) manufacturing firms in Delta State, Nigeria. The instrument of data collection was the questionnaire, which was designed on a 5-point Likert scale of 'strongly agree', 'agree', undecided, 'disagree' and 'strongly disagree' and presented in a way to reduce respondents answering time. The questionnaire was designed to obtain respondent perception on strategic management and organizational performance. The questionnaire was adapted from the works of Kundu, et al (2021); Hadi, et al (2020); and Abukar (2019).

The questionnaire was based on four strategic management dimensions (strategy objective, strategic formulation, implementation, and evaluation) and organizational performance). The questionnaire was designed in two sections – bio-data of respondents (section one), and themes relating to strategic management and organizational performance (section two). The choice of questionnaire is based on the fact that the study sought to assess the views of people on the effect of strategic management and organizational performance. In ensuring face-validity, the questionnaire was appraised on the basis of relevance of questions. Cronbach Alpha reliability technique was employed in ascertaining the reliability of the instrument.

The procedures entailed the administration of the validated instrument to 20% of the sample size, which amounts to fourteen (14) respondents who are not employees of the selected manufacturing firms but employees of other manufacturing firms in Delta State. Cronbach alpha reliability coefficients obtained were: 0.80 (strategy objective), 0.72 (strategic formulation), 0.71 (strategic implementation), and 0.68 (strategic evaluation). The Cronbach Alpha coefficients are clearly indications that the research instruments are reliable, since the Cronach Alpha coefficients exceeded 0.5.

The study used both descriptive and inferential statistics in analyzing the data obtained in the survey. Descriptive (mean, standard deviation, minimum, maximum values and Pearson correlation) and inferential statistical tools were used. Given the dependent and independent variables of the study, the following empirical models were estimated to assess the effects of strategic management on organizational performance:

$$Orgp = f(StObj) \qquad \text{eq. 1}$$

$$Orgp = f(StForm) \qquad \text{eq. 2}$$

$$Orgp = f(StImp) \qquad \text{eq. 3}$$

$$Orgp = f(StEvl) \qquad \text{eq. 4}$$

Equations 1-4were expressed econometrically as follows:

$$Orgp_i = \eta_0 + \eta_1 StObj_i + \sum_t \qquad \text{eq.5}$$

$$Orgp_i = \eta_0 + \eta_2 StForm_i + \sum_t \qquad \text{eq.6}$$

$$Orgp_i = \eta_0 + \eta_3 StImp_i + \sum_t \qquad \text{eq.7}$$

$$Orgp_i = \eta_0 + \eta_4 StEvl_i + \sum_t \qquad \text{eq.8}$$

Where: $_i$is individual manufacturing firms' employees; Orgp: organizational performance; StObj: strategy objective; StForm: Strategic formulation; StEvl: Strategic Evaluation; and StImp = Strategic implementation; β_1-β_4::coefficients of the proposed estimates. A-priori expectations are as: $\beta_1>0$, $\beta_2>0$, $\beta_3>0\beta_4$ which implies that a unit increase in strategic management dimensions will lead to an increase in organizational performance of the manufacturing firms in Delta State

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RESULTS

Table 1: Summary of Descriptive Statistics on Strategic Management and Organizational Performance of the Manufacturing Firms in Delta State, Nigeria

	Orgp	StObj	StForm	StImp	StEvl
Mean	3.0510	3.202	3.4217	3.1740	3.0910
Standard Deviation	0.0370	0.0284	0.0214	0.0209	0.0260
Minimum Value	1	1	1	1	1
Maximum Value	5	5	5	5	5
Observations	69	69	69	69	69

Source: Field Survey, 2024

Presented in Table 1, is the summary of descriptive statistics on strategic management and organizational performance of the selected manufacturing firms in Delta State, of Nigeria. It was revealed that organizational performance (Orgp) had a mean of 3.0510 with a standard deviation of 0.0370 while the dimensions of strategic management had mean values of 3.202 (StObj), 3.4217 (StForm), 3.1740 (StImp), and 3.0910 (StEvl). The descriptive result showed that the perceptions on strategic management and organizational performance among the respondents are not too far from each other.

Furthermore, the mean values are clear indication that the respondents support the items in the research instrument as good indicators for assessing the relationship between strategic management (strategy objective, strategic formulation, implementation and evaluation) and or organizational performance.

Table 2: Pearson Correlation Results on Strategic Management and Organizational Performance of the Manufacturing Firms in Delta State, Nigeria

	Orgp	StObj	StForm	StImp	StEvl
Orgp	1.0000				
StObj	0.0514	1.0000			
StForm	0.0221	0.0413	1.0000		
StImp	0.0300	0.0241	0.0417	1.0000	
StEvl	0.0382	0.0580	0.0381	0.0472	1.0000

Source: Field Survey, 2024

In Table 3, the result showed that strategic management dimensions (StObj, StForm, StImp, and StEvl) are positively correlated with organizational performance (Orgp). Moreover, the correlation matrix showed that no two explanatory variables are perfectly correlated because none of the correlation coefficients are above 0.8 as recommended by Gujarati (2003).

Table 3: Variance Inflation Factor (VIF) Results

Variable	VIF	1/VIF
StObj	1.00	0.99990
StForm	1.06	0.94220
StImp	1.04	0.95410
StEvl	1.15	0.86956
Mean VIF	1.06	

Source: Field Survey, 2024

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In results in Table 3 showed if multicollinearity exists among the independent variables. the mean VIF = 1.06, which is less than accepted VIF of 10.0, suggesting that there is non-existence of multicollinearity problem in the empirical model of strategic management and organizational performance

Table 4: Regression Results on Strategy Objective and Organizational Performance of the Manufacturing Firms in Delta State, Nigeria

Source	SS	df	MS			
Model 1	6.2716	1	2.0905	Number of obs.	=	69
Residual	27.362	67	0.2171	F (1, 67)	=	19.6
				Prob. > F	=	0.000
Total	33.633	68	2.3077			
Orgp	Coef.	Std. Err.	t-value			
StObj	0.1116	0.1013	9.38	R-Squared	=	0.865
_cons	3.7832	0.3348	12.01	Adj. R-Squared	=	0.767

Source: Field Survey, 2024

In Table 4, the regression result revealed that R-squared is 0.865, indicating that strategy objective explained about 86% of the systematic variations in organizational performance. The f-statistics (df=1, 67, f-ratio = 19.6) with a p-value of 0.000 revealed that strategy objective significantly influence organizational performance. Hence, the null hypothesis was rejected while the alternate hypothesis was accepted; this means strategic objective has significant effect on the performance of manufacturing firms. More so, the coefficient showed that an increase in strategic objective will lead to 11% increase in the performance of manufacturing organizations in Delta State, Nigeria.

Table 5: Regression Results on Strategic Formulation and Organizational Performance of the Manufacturing Firms in Delta State, Nigeria

Source	SS	df	MS			
Model 2	6.5119	1	2.0905	Number of obs.	=	69
Residual	28.4107	67	0.2171	F (1, 67)	=	12.4
				Prob. > F	=	0.000
Total	34.922	68	2.3077			
Orgp	Coef.	Std. Err.	t-value			
StForm	0.1159	0.1052	6.62	R-Squared	=	0.778
_cons	3.9282	0.3476	12.17	Adj. R-Squared	=	0.714

Source: Field Survey, 2024

In Table 5, the regression result showed that R-squared is 0.778, indicating that strategic formulation explained 78% of the systematic variation in organizational performance. The f-statistics (df=1, 67, f-ratio=12.4) with a p-value of 0.000 revealed that the relationship between strategic formulation and organizational performance is significant at 5% level. Thus, the null hypothesis was rejected while the alternate hypothesis was accepted; this means that strategy formulation has significant effect on organizational performance of manufacturing firms in Delta State, Nigeria. Also, the coefficient showed that an increase in strategy formulation will lead to 12% increase in organizational performance of manufacturing firms in Delta State, Nigeria.

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Table 6: Regression Results on Strategic Implementation and Organizational Performance of the Manufacturing Firms in Delta State, Nigeria

Source	SS	df	MS			
Model 3	6.7615	1	2.1706	Number of obs.	=	69
Residual	29.499	67	0.2254	F (1, 67)	=	17.1
Total	36.261	68	2.3961	Prob. > F	=	0.000
Orgp	Coef.	Std. Err.	t-value			
StImp	0.1203	0.1092	6.87	R-Squared	=	0.807
_cons	4.0788	0.3609	12.63	Adj. R-Squared	=	0.741

Source: Field Survey, 2024

In Table 6, the regression result showed that R-squared is 0.807, indicating that strategy implementation explained 81% of the systematic variation in organizational performance. The f-statistics (df=1, 67, f-ratio=17.1) with a p-value of 0.000 revealed that the link between strategy implementation and organizational performance is significant at 5%. Thus, the null hypothesis was rejected and the alternate hypothesis was accepted; this implies that there is significant link between strategy implementation and the performance of manufacturing firm.

Table 7: Regression Results on Strategic Evaluation and Organizational Performance of the Manufacturing Firms in Delta State, Nigeria

Source	SS	df	MS			
Model 4	4.1522	1	1.7312	Number of obs.	=	69
Residual	9.4091	67	0.3166	F (1, 67)	=	22.4
Total	13.561	68	2.0478	Prob. > F	=	0.000
Orgp	Coef.	Std. Err.	t-value			
StEvl	0.1793	0.1923	8.11	R-Squared	=	0.763
_cons	5.011	0.5840	16.21	Adj. R-Squared	=	0.703

Source: Field Survey, 2023

In Table 7, the regression result showed that R-squared is 0.763, indicating that strategy evaluation explained 76% of the systematic variation in organizational performance. The f-statistics (df=1, 67, f-ratio=22.4) with a p-value of 0.000 revealed that the link between strategy evaluation and organizational performance is significant at 5% level. Thus, the null hypothesis was rejected and the alternate hypothesis was accepted; this implies that there is significant link between strategy evaluation and the performance of manufacturing firms

CONCLUSION AND RECOMMENDATIONS

In recent times, the need to develop efficient strategy in the workplace has attracted much debate in the human resource management (HRM) literature. The debate stems from the fact that HRM role has drifted from recruitment, selection to a more improved ways via which organizations can develop efficient strategy; not only the development of efficient strategy is required, the formulation, implementation and evaluation are key to having an efficient strategy. Extant literature has shown that strategic management influence the performance of organizations; however, studies are yet to show if strategy management will influence organizational performance of manufacturing firms in Delta State, Nigeria.

The study concludes that strategic management significantly influences organizational performance of manufacturing firms in Delta State, Nigeria. The results of the study agree in part with the findings of Hadi, et al (2019); Mohamad and Rokaya (2020); Mhsen, et al (2021) who showed that strategic management significantly influence organizational performance. The results call for some recommendations; first, management should strive towards developing efficient strategies aimed at enhancing organizational performance. Also, there is the need for manufacturing firms to engage in proactive measures aimed at formulating, implementing and evaluating strategies that can help in improving organizational performance

This study contributes to knowledge by filling the gap in the literature on what is known about strategic management and organizational performance, particularly as it concerns firms in the manufacturing sector. Also, the study contributes to knowledge by establishing that strategic management dimensions of strategy objective, formulation, implementation and evaluation influence organizational performance.

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