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Nexus between Strategic Management and Firm Performance: A Study of Selected Manufacturing Companies in Nigeria

Babajide, D. Adesina
Department of Banking and Finance, School of Management and Business Studies,
Yaba College Technology, Yaba Nigeria.

ERETAN, Gbenga Ologbon (PhD)
Business Administration Unit, Distance Learning Institute,
University of Lagos, Akoka Nigeria.

Abstract

Today's business is characterized by dynamism in business environments (Internal and External) which are expected to lead to increased competition among the stakeholders. Business managers are expected to plan more efficient and effective to achieve set objectives. The objective of this paper is to contribute to the existing research in the field of strategic by determining the nexus between strategic management and firm performance using five (5) selected manufacturing companies in Lagos Nigeria. Data were collected using questionnaire design in simple English Language and analyzed using simple percentage and non parametric statistical tool of Chi-square (χ^2). It was discovered that companies set up their own strategic management process among the top echelon of each of the companies used as a case study. It is therefore recommended that companies whether small, medium or large-scale company should set fund aside for research and development, in other to fine tune required strategic plans and incorporate strategic management in business studies in business schools to serve as a research institute and incubation center for business strategy.

Keywords: Strategic Management, companies' performance, firm's competition

1.0 Introduction

Today's business is characterized by dynamism in both the business environments (Internal and External) which are expected to lead to increased competition among the stakeholders. These changes are power by business strategy applied at every step of operation of the business. This has drawn so much attention among business Researchers, Business process Scholars, practitioners and other stakeholders which was aggravated by globalization in the last two decades. Before then organization performance has been the focus of intensive research efforts in business arena that is the study of how well an organization implements its policies to achieved superior performance in term of increase productivity, increase profitability and efficiency in line with the organizational mission and vision. Managers in both private and public organizations are increasingly sensitive and aim at achieving competitive advantage by employing best strategy in conjunction with avoidable state-of-the-art technology, using right innovation to create new products with attractive product branding and packaging that can create market for itself in appropriate and conducive environments.

Modern business are faced with a variety of environmental and management challenges, therefore business managers are expected to plan more efficient and effective to achieve set objectives in other to increase performance through increase productivity which is expected to lead to increase profitability. These plans are identified by Babajide, Oduwole and Taiwo (2019) as short, long and strategic plan; while short-term planning involves business processes that show results within a year, long-term plans include the overall goals of the company set four or five years in the future. But Oyedijo (2013) posited that strategic planning is about allocating resources to meet organization demands.

The concept of performance has gained increasing attention in recent decades, being pervasive in almost all spheres of the human activity. Performance is a subjective perception of reality, which explains the multitude of critical reflections on the concept and its measuring instruments. Therefore the concept of organization performance is often used in the scholarly literature, but it is only rarely defined. Edwards, Bell, Arthur, and Decuir (2008) opined that performance consists ″achieving the goals that were given to you in convergence of enterprise orientations″. In his opinion, performance is not a mere finding of an outcome, but rather it is the result of a comparison between the outcome and the objective. Unlike other authors Edwards et.al. (2008) considers that this concept is actually a comparison of the outcome and the objective. McWilliams, Van Fleet, and Cory (2002) characterize the performance as future-oriented, designed to reflect particularities of each organization/ individual and is based on a causal model linking components and products. He defines a ″successful″ business as one that will achieve the goals set by the management coalition, not necessarily one that achieved them. Thus, Meier, O'Toole, Boyne, and Walker, (2006) posited that organizational performance is confounded with notions such as: productivity, efficiency, effectiveness, economy, earning capacity, profitability, and competitiveness.

The main responsibility of managers in the modern industrial world is to achieve the objectives of the organizations and make the organizations successful. Accomplishing objectives needs regular planning and continuous improvement of the plans. It also requires knowledge about the internal and external environment of organizations. Strategic management provides the managers with efficient solutions to solve the problems of the organizations through dynamic, provident, holistic, and contingent principles. Strategic management also makes the managers able to develop better strategies for the survival of the organizations through taking advantage of more regular and logical methods.

The statement of problem of this paper is concern with the probable connection between ever increasing strategies, innovation and information technology in product-market competition which supposed to result into improving activities. It is of note that day by day firms success and survival depend largely on quantum of strategies deployed in competitive business environment. Hence managers continually need to make some strategies and take some actions by improving product quality and productivity, reducing product cost, promoting product and process innovations, and improving product speed to the market and customers' goodwill. Firms therefore need to strive to be at par with the global change, achieving competitive advantage position and enhancing performance relative to their competitors (Muogbo, 2013). Therefore strategy is a detailed plan for a business in achieving success. Since business is a high-stakes game, a poorly planned and executed strategic move could result in loss of millions of dollars, thousands of jobs, or even bankruptcy of business (Dauda, Akingbade, & Akinlabi 2010).

The aim of this study is to contribute to the existing research in the field of strategic management; the main objective of the paper is to determine the nexus between strategic management and firm performance using selected manufacturing companies in Lagos Nigeria. Therefore, this paper is an attempt to study different aspects of strategic management through reviewing the related literature and the researchers' point of view. In addition, this paper tries to consider the importance of implementing strategic management in organizations to accomplish future objectives.

The tentative statement formulate in null hypothesis that guide the study are

H_{01}: Strategic management (SM) has no significant effect on companies' performance (CP).

H_{02}: There is no significant relationship between strategic management and firm's competition

This paper is organized in four sections, section 1 is the introduction which comprises of statement of problem, objective of study, research hypotheses as well as organization of study. Section 2 is the review of relevant literature which contains the conceptual framework, theoretical framework and empirical framework. Section 3 is the research methodology as well as presentation of results, while section 4 is the summary of findings, conclusion and recommendations.

2.0 Literature Review

The main objective of managers is to record improve performance at every accounting period in line with organization goals and objectives (Askarany, and Yazdifar, 2012). In their quest to achieve these, managers are faced with a variety of challenges (environmental and management challenges). Therefore, it is expected that they should have plans (both in the immediate and long term) to achieve these feat in most effective and efficient manner. It is important that managers engage strategic management on the design, implementation and receive feedback to aid appraisal of organizational plans, therefore strategy management provide innovative methods for management of organization long term plans and help the managers in taking appropriate decisions. Strategic management helps the managers to improve or modify their long term through feedback on implemented plans and enable the organization to build competitive edge in other gain more market share.

2.1 Conceptual Framework

Scholars in the field of management have presented different definitions for management according to their own knowledge and opinion which helps determining the meaning and concept of management. The evaluation of these various school of thought shows that there is no general and consistent definition for the term, and in fact, every researcher has considered it from his or her own viewpoint. While Dess, Lumpkin, and Eisner, (2007) defines management as the art of getting things done through people Meier, O'Toole, Boyne, and Walker, (2006) believes that management is coordinating human and financial resources for achieving organizational objectives. Management is an efficient process for solving the problems related to achieving objectives through effective application of rare resources in a changing environment (Edwards et.al; 2008). Pearce and Robinson (2013) posited that management is the science and art of establishing, coordinating, leading, and controlling group activities to accomplish group members' common objectives. In addition, it is considered as the art of finding and employing the most qualified personnel, combining their physical and intellectual assistance, and aligning their assistance with the objectives of the company.

As results of dynamism in business environments, there have been many investigations and studies about organization planning and strategy required to meet different challenges as results of competition among the competitors. These challenges has necessitate different researchers from different schools of thought to concentrated on different applications of strategic management hence throw up different definitions according to school of thought and stakeholders points of view.

2.1.1 Concept of Strategy and Strategic Management

Strategy is word derived from Greek word "strategos" which concerned creation of the war plan and determination of war campaigns (Markiewicz, 2011). Different definitions have been given for the term strategy by researchers and other stakeholders based on their different points of view. This notion is supported by Ittner, Larcker, and Randall, (2003) when they posited that the term strategy can present in a single definition because general concepts are usually used in different ways. The competitive business environment has resulted into complexity and sophistication of business decision-making which requires strategic management.

But Lau and Tan, (2003) posited that business strategies caused speeding up of business development and resulted also in the changing of the modern management. Markiewicz (2011) observed that as applied to modern business, there is no single and generally acceptable definition of strategic management, concepts and definitions are given according to school of thought and perception of the authors. Irwin (1995) opined that strategic management is a business operating game plan, for enhancing firm's competitiveness, creating customer satisfaction and achieving targeted performances.

Porter (1985) opined that strategy is the aspirations and practices an organization employ in order to stay afloat amidst severe competition. He further observed that a well-managed organization should have the ability to seriously find a place for itself in the contemporary competitive business environment. Therefore strategy is a management technique which gives an organization direction; it refers to holistic actions that are tailored towards actualizing the future of the organization. Porter (1980) affirmed that analysis of strategy or strategic analysis is part of strategic management method that examines the forces of the external environment, organization capability and expectation of stakeholders. Strategy execution is the conversion of strategy plans into action. It entails implementation of strategies and managing the resulting changes.

But Thompson et al., (2005) opine that strategy involves combinations of long term planning to improve efficiency, effectiveness in other to have competitive edge above the rival in market places. That is strategic planning that involve moves and business approaches that managers employ to please customers, compete successfully, conduct operations their operation to achieve organisational goals and objectives. Chandler in Stevenson, (2012) defined strategy as the determination of the basic long term goals and objectives of a firm and the adoption of the courses of action and the allocation of resources necessary for executing the goals. Pearce and Robinson (2013) opined that strategy is a manager's effort in interacting with the business environment to optimize the achievement of organizational objectives.

It is of note that these Authors show that strategy is a top management responsibility which involve all departments of an organization. Oyedijo (2013) in his contribution posit that that strategy planning provides direction and effective management for the organization. It clearly stated what the company wants to achieve and what it has to do and the pathways it needs to follow to be where it will like to be in future. Thus strategic management involve appraisal of both internal or external environment (environmental scanning), keeping tag on strengths and business opportunities while mindful of organization weaknesses and threats from the competitors. Porter (1985) observed that the essence of formulating comprehensive strategy is relating a company to its environment while Aremu (2010) opined that a clearly defined strategy will lead to strong excitement among all stakeholders in the organization and promote commitment to job specification and loyalty which will enhance better performance of business organization.

Making strategic options for the future of an organization and turning such strategy into action comprise of strategic analysis, choice and execution (Lau and Tan, 2003). However, considering the modern extension of management which is called strategic management, it can be claimed that strategic management guarantees the profit of organizations using suitable and efficient organizational strategies. According to this idea, efficient strategies are developed based on the needs of organizations at a certain period of time. Daft (2010) believes that strategic managers should be able to plan and control the activities because controlling activities is not possible without using efficient plans. He states that the implementation procedure of plans can be monitored using suitable strategies. In other words, strategic management is mentioned as the process which involves strategic perspective; that is, managers who follow strategic management are able to recognize and analyze the strategic topics of the organization and know the objectives of the organization to choose the most suitable strategy (Daft, 2010). In addition, it is claimed that strategic management consists of the art and science of formulation of the activities of organizations and evaluation of the multidimensional decisions for achieving objectives through integration of management factors, marketing, financial affairs, production or development services, data collection system, and so on. (Davari, 2001). Strategic management is also considered as the art and science of taking, implementing, and evaluating decisions about multiple duties of the people working in organizations to enable the organizations to accomplish long-term objectives.

Sababu, (2007) defined strategic management as a top management activity, which deals with decisions making in quest to attain the organizational mission, vision, philosophies, objectives, strategies and their goals. He further add that this also consist of development of long term plans for efficient management of environmental opportunities and threats in line with the organizational strengths and weaknesses. Efficient and effective implementation of pre-determine plans brought about business going concern, continuous growth, increase competitive advantages and improved financial performance. But Pearce and Robinson (1991) opine that strategic management is the combination of decisions and actions that guide toward the formulation and implementation of plans intended to achieve organizational objectives. These decision or plan entails directing, organizing and controlling of firm's strategies that reflects decisions and actions that enhances a company's competitiveness. Strategic management processes comprise of environment analyses, understanding the desired position of the organization, marshal out necessary plans to attain the desire goals and implement them accordingly.

David (2006) identified process of Strategic Management as involving organizations use different procedures for developing and administering the activities related to the strategic management. In fact, organizations which have more advanced plans have developed more detailed procedures. In addition, the organizations which have a variety of actions are more willing to use developed systems of strategic management because they are more dependent on the variety of their products, market, and technology (David, 2006). However, in spite of the differences in the details and the levels of formality, the main components of the models used for analyzing the activities of strategic management can be categorized into three general parts, namely developing and planning of strategy, execution of strategy, and monitoring developments, and progress. Figure 1 shows the components of the cycle of strategic management.

2.1.2 Concept of Organizational Performance

The concept of performance of any business organization is based on the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose (Carton, 2004). But Barney (1995) opined that the essence of performance is the creation of value, he therefore concluded that value creation, as defined by the resource provider, is the essential overall performance criteria for any organization. Burney and Matherly (2007) A business organization could measure its performance using the financial and non-financial measures. The financial measures include profits, return on assets, return on investment and sales, while the non-financial measures focus on issues pertaining to customer`s satisfaction and customer`s referral rates, delivery time, waiting time and employee`s turnover. Bucklin and Sengupta, (1993) claim that financial measures of performance, such as sales and profit, may not clearly reflect the quality of the firms' performance. Financial measures are objective, simple and easy to understand and compute, but in most cases, they suffer from being historical and are sometimes not readily available in the public domain. Geringer and Hebert (1991) suggest that financial data are often not published, and when that type of data is made public, it will be merely incorporated in calculations of financial performance. In fact, a financial measure is unlikely to capture the relative performance of the firms.

An alternative way is to apply the non-financial measures, though subjective in nature, as supplements to the financial measures (Sandberg & Hofer, 1987; Covin and Slevin, 1989). The combinations of these two measures (financial and non-financial) help the owners or managers to gain a wider perspective on measuring and comparing their corporate performance, in particular the extent of effectiveness and efficiency in utilizing the resources, competitiveness and readiness to face the growing external pressure (Chong, 2008).

2.2 Components of strategic management

Rahimnia, Castka, and Sharp (2005) argued that similar types of strategies have been established across basically different organizations (publishing firms, automotive industries, hospitals, administration, ICT companies, and tertiary institutions) because they are of facing related environmental conditions notwithstanding of their internal organizational differences.

Strategic planning

Bryson (2004), defines strategic planning as "an effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it" Much wider than program, project, budget, or operation planning's, strategic planning is 'big picture' approaches that solve the most serious issues facing an organization's long-term efficiency and effectiveness (Kemp, Funk, & Eadie 1993; Poister & Streib, 1999). Its usage has grown reasonably over the past decades, at all levels of government and agencies as they have recognized the need to respond to emerging issues promptly. Again they need to adjust to changing circumstances, and move into the future in a resolute in order to ensure continued viability and fit with a changing environment (Berman & West, 1998; Berry & Wechsler, 1995; Poister & Streib, 2005). Several procedures for conducting formal strategic-planning attempts have been postulated (Bryson, 2004; Denhardt, 1985; Eadie, 1983; Gibson, 1993; Kauf man & Jacobs, 1987; Nutt & Backoff, 1992; Pindur, 1992), but all advocates of strategic planning

Stages in strategic planning

Adeleke (2008), for proper formulation of strategic plans, the following stages are essential:

1) Environmental Analysis: this refers to an establishment of link between the internal and external environment that the organization need to do.
2) Resource Analysis: This connotes identifying the strength the strength of the organization and weakness of its rivals.
3) Determination of the Extent of the Required Strategy change: At the top management level, there should be a decision on to modify the existing strategy or not. Some scholars refer this as 'performance gap' (Owolabi & Makinde 2012).
4) Decision Making: This refers to what to do and how they should be done.
5) Implementation: Implementation entails resource allocation, adapting the organizational structure to suite the strategy as well as creating conducive environment appropriate for implementation the chose strategy implementation.
6) Control: For effective implementation, there must be proper control to ensure conformity.

2.3 Strategic Application and Organization Performance

Researchers believe that strategy is designed to be put into action (Drucker, 1974) whereas Glueck (1976) and other researchers in the field of management have also accepted strategy as a plan but he defined strategy as a unified, comprehensive, and integrative plan which is designed to assure that the basic objectives of the organizations are accomplished. Mintzberg (1987) identified strategy as "the five Ps of strategy", that is strategy as a plan, ploy, pattern, position, and strategy as a perspective. According to Mintzberg (1987), understanding how strategy can be viewed as a plan, ploy, position, pattern, and as a perspective is of great importance and understanding each of these five ways of thinking about strategy is necessary for understanding what strategy is, but none of them alone is enough to master the concept of strategy. First of all, strategy is considered as a plan. Based on this definition, strategy is a kind of consciously intended course of action or a set of useful guidelines which is provided for dealing with a specific situation or event in future (Mintzberg, 1987). According to this definition, strategies have two main characteristics; they are made in advance of the actions to which they apply and they are developed consciously and purposefully (Mintzberg, 1987).

Second way of viewing strategy refers to viewing it in terms of ploys. In this view, in addition to the characteristics mentioned in strategy as a plan, strategy has a special quality which results in clever trick or maneuver against opponents or competitors. In strategy as ploy, the focus is on the dynamic, creative, and competitive aspects of strategy to enhance success. (Mintzberg, 1987) Strategy as pattern is the third way to view strategy. As the result of the development of the concept of strategy, which can be both a plan and a ploy, the most crucial point is to implement the strategies.

Therefore, strategy is defined as a pattern, especially a pattern in a stream of actions, which is drawn at the decision-making stage. This definition is presented for the implementation of strategies. Based on this definition, strategy should also involve all the movements and functions of the organizations for fulfilling the plans and ploys (Mintzberg, 1987). In the next P, strategy as a position, strategy is considered as a tool for locating the organization in what is called environment by the organization theorists. According to this view, strategy is considered as a mediator or coordinator between the organization and environment; that is, between the internal and external context (Mintzberg, 1987).

The fifth and final P is strategy as a perspective which focuses on the inside of the minds of the executive running a company. Strategy as perspective involves knowing how executives interpret the competitive environment surrounding the company. This definition not only involves the strategic quality of a situation in environment (i.e., the definition of strategy as position), but it also consists of a deep approach for understanding the surrounding world (Ali-Ahmadi, Taj al-Din, & Fethullah, 2012). Mintzberg (1987) believes that the fifth definition suggests that strategy is a concept, and this conceptual meaning, in fact, proposes that “strategies are abstractions which exist only in the minds of interested parties.

2.4 Theoretical Framework

Resource-Based Theory

The resource-based approach stipulates that strategic management is the basis and drivers of organizations’ competitive advantage. Peteraf and Bergen, (2003) observed that superior performance are associated with the attributes of their resources and capabilities which are valuable and costly-to-copy. These resources include; assets, capabilities, organizational processes, firm attributes, information, knowledge, and so on that are within the organizations’ control which enable the firm to conceive and implement strategies that improve its efficiency and effectiveness (Barney, 1995)

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.

2.5 Empirical Review

Greenley (1994) in his study to investigate the relationship between strategic planning and performance, he classified the studies into three groups, in the first group, there are nine studies where the researcher concluded that there is no association between strategic planning and company performance, there were 12 studies in the second group which supports an association between strategic planning and performance. In the third group of eight studies, it was concluded that firms with strategic management outperform firms without strategic management. Gichunge (2007) examined the effect of formal strategic management on organisational performance of medium sized manufacturing enterprises in Nairobi Kenya. He investigated the effect of various administrative/legal factors on the extent to which formal strategic management are adopted, and also determined the relationship between level of competition and formal strategic management. The results showed that the MEs have not fully adopted formal strategic management and that administrative/legal factors and competition influence adoption of strategic management. Dauda et al. (2010) examined the influence of strategic management on corporate performance in selected small scale enterprises in Lagos, Nigeria. Cross sectional survey research method was adopted for the study and 140 participants were randomly selected among small-scale enterprises in Lagos metropolis. Findings of the study showed that strategic management enhances both organizational profitability and company market share. Muogbo (2013) examined the impact of strategic management on organisational growth and development in selected manufacturing firms in Anambra State, Nigeria. The study used a descriptive survey design to collect detailed and factual information. Cluster sampling was used to select equal number of manufacturing firm s from each sample cluster in the study. The data collection instrument was a structured questionnaire. He found out that Strategic management was not yet a common business practice among manufacturing firms in Anambra State.

3.0 Methodology

This section considers is the framework for research method adopted for paper, method adopted for gathering data for this paper is descriptive (survey) design using the questionnaire as the main instruments.

3.1 Sample size and Population of the Study

The study population comprises of manufacturing organizations located in Lagos and her environs. These organizations are estimated to account for about 90 per cent of foreign trade and controlling about 80 per cent of the total value of the imports of the country. The sample size used comprise of five (5) quoted manufacturing firms operating in Lagos Nigeria namely

Cadbury Nigeria Plc

Cadbury Nigeria is located at Ikeja, Lagos Nigeria she is into manufacturing and marketing of foods, food drinks and confectionery with Cocoa Beans as the source of raw material. Some of the popular brand are Bournvita (food drinks), Tom-Tom, and Eclairs and Buttermint (confectionery). The company Cadbury Nigeria owns 99.66% equity of Stanmark Cocoa Processing Company Limited Ondo, Nigeria which process cocoa powder required for her production. Cadbury Nigeria acquired the wholly equity-interests in Stanmark Cocoa Processing Company Limited changed it is now known as Cadbury Nigeria Plc Cocoa Processing Plant.

Honeywell Flour Mills Plc (HFMP)

Honeywell Flour Mills PLC is part of the Honeywell Group, a foremost indigenous Nigerian conglomerate engaged in select businesses in key sectors of the Nigerian economy, namely Foods & Agro-Allied, Energy, Real Estate, Services, and infrastructure. Honeywell Flour Mills (HFMP) is one of the major flour milling company in Nigeria, with her corporate headquarter in Ikeja Nigeria. Her production centre is located on a four hectare land in the Tin Can Island Port Industrial Estate. This strategic location provides for cost efficient receipt of raw materials. The company's equipment is supplied by Bahler AG of Switzerland. HFMP presently has wheat storage capacity of 72,900 MT while monthly usage varies from 32,000 MT to 40,000 MT. Its finished products warehouse has a capacity to hold about 100,000 bags of 50 kg flour. The company currently operates on a total installed capacity of 2,610 metric tonnes per day.
Originally HFMP registered as Gateway Honeywell Flour Mills Limited in 1985 as result of change in ownership structure there was a change of name to Honeywell Flour Mills Limited (HFML). HFMP is into production of flour and a range of flour based products like Honeywell Superfine Flour, Honeywell Wheat Meal, Honeywell Semolina, Honeywell Noodles, Honeywell Pasta, Honeywell Composite flour and the Honeywell Brown Flour.

Nigeria Bottling Company Plc (NBC Plc)

Nigerian Bottling Company Plc (NBC Plc) is a bottling partner of Coca-Cola Company, Coca-Cola Company manufactures and sells concentrates, bases and syrups to its bottling partners, owns the brands and is responsible for consumer brand marketing initiatives. NBC Plc use the concentrates and syrups to manufacture, package, merchandise and distribute the final branded products to trade partners and consumers. NBC Plc therefore is the manufacturing and distribution company of Coca-Cola products nationwide. The Company is located Ikeja Nigeria. NBC Plc is one of the world's largest bottlers of drinks from Coca-Cola Company. The company serves the need of 180 million people by producing and distributing a unique portfolio of quality brands, bringing passion to marketplace implementation and demonstrating leadership in corporate social responsibility.

Promasidor Nigeria Limited

Promasidor Nigeria Limited (PNL) is a subsidiary of Promasidor Holdings based in South Africa located in Isolo, Lagos. Promasidor Nigeria Limited a consumer packaged goods company began operations in Nigeria in 1993 under the business name of Wonder Foods. Cowbell milk was the first product introduced to the country and it was initially sold at a size similar to the market leader, Peak milk. However, to compete with the other milk brands, the firm decided to import smaller sachets of milk to target middle and low income earners. This selling strategy increased the firm's revenue. Thereafter, the firm diversified into other sectors such as chocolate drinks, tea and seasonings. In 2003, the firm changed its business name from Wonder Foods to Promasidor Nigeria Limited to promote uniformity across the group.
The first product introduced to the market by PNL is Cowbell milk which is flagship product, followed by Loya milk introduced to the market in 2004 and then re-packaged in 2010 and lastly, Miksi. The firm also produces cocoa beverages of Cowbell chocolate milk and Miksi chocolate in 2000 and in 2011 to compete with Nestle's Milo and Cadbury's Bournvita. In 2004, the firm introduced first powdered seasoning produced in Nigeria named Onga powdered seasoning produced in four variations of crayfish, chicken, stew and classic and in 2010, the firm launched Onga seasoning cubes. The firm introduced Top Tea with round tea bags in 1998.

Unilever Nigeria Plc

Unilever Nigeria Plc is a publicly listed company with trading and manufacturing interest in the consumer goods market. Unilever Nigeria Plc is a subsidiary of Unilever Overseas Holding B.V. Unilever history in Nigeria dates back to 1923 as a trading post in Nigeria under the business name, Lever Brothers (West Africa) Ltd. The firm was primarily engaged in trading of soap and in 1924, the name was changed to West African Soap Company with opening of soap factory in Apapa in 1925 and Aba in 1958 and changed its name to Lever Brothers Nigeria Limited in 1955. In 1960, Lever Bros introduced Omo detergent into the market, prompting the firm to commission a factory to manufacture Omo detergents in 1964.

Due to the indigenisation decree of 1972, Unilever became a publicly listed company in 1973, selling 60% of its shares to the Nigerian public. This change in ownership did not affect the firm's growth. In 1982, the firm began producing edible products such as Royco, blue band and tree top in Ogun State Nigeria. From 1985, the company passes through period of mergers and acquisition with acquisition of Lipton Nigeria and merged with Chesebrough Products Industries manufacturer of Vaseline. The company embarked on a backward integration scheme by investing in agriculture business of crop production and oil palm milling in order to source its raw materials locally.

3.2 Research Instrument

The questionnaire design is used as the research instrument for gathering data in the study. It is designed in simple English language consists of two sections: section A is the Bio data, section B deals items relating to the objective of the study and hypotheses which will provide the relevant information needed to aid the research work. Structured Questionnaire is used where the respondents are restricted to some response options. The five points scale response was adopted for this study and are coded as 5, 4,3,2,1 as Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree respectively.

3.3 Questionnaire Administration

Questionnaire was self administered by the researcher with bias to the top management of the companies under study, since strategic planning is done by the top hierarchy of any organization. Twenty (20) questionnaires were administered and the same was collated at the end of the research.

3.4 Validity and reliability test

To validate the paper, test-retest method of reliability was adopted out of all the various types of measures. The Cronbach's alpha co-efficient will be used to test the questionnaires to ensure the consistency of the research instrument. While Reliability refers to the extent to which assessments are consistent that is the degree to which a test is free from measurement errors (Fraenkel & Wallen, 2003).

3.5 Method of Data Analysis

This chapter is concerned with the analysis of data collected. The instruments of analysis are simple percentage and non parametric statistical tool of Chi-square (χ^2) to test its significance. The data analysis was edited and analyzed using the percentage and charts while the section was analyzed to test the hypotheses formulated using non parametric statistical tool of Chi-Square (X^2) considered the most appropriate in this research work because of its simplicity of application. The formula for the calculation of X is given as

$$X^2 = \sum \frac{(O-E)^2}{E}$$

Where X^2 = Chi-square Σ

∑=Summation

O=Observed

E=Expected

3.6 Data Analysis and Discussion

One hundred (100) copies of the questionnaires were administered to top echelon of the companies used as case study (Cadbury Nigeria Plc, Honeywell Flour Mills Plc –HFMP, Nigeria Bottling Company Plc-NBCPlc, Promasidor Nigeria Limited and Unilever Nigeria Plc) in the study, and the all the copies were thoroughly filled and returned in time for the analyses. Analyses of the questionnaire items began with the socio-demographic characteristics of the respondents which include academic qualification, designation and working experience as contain in Table 1.

Table 1: Bio Data

	Response	Frequency	Percentage
Name of Organization	Cadbury Nigeria Plc	20	20.0
	Honeywell Flour Mills Plc (HFMP)	20	20.0
	Nigeria Bottling Company Plc (NBC Plc)	20	20.0
	Promasidor Nigeria Limited	20	20.0
	Unilever Nigeria Plc	20	20.0
	Total	**100**	**100.0**
Sex	Male	65	65.0
	Female	35	35.0
	Total	**100**	**100.0**
Age	Below 20 Years	0	0.0
	21 - 30 Years	5	5.0
	31 -40years	42	42.0
	40 Years and above	53	53.0
	Total	**100**	**100.0**
Qualification	Diploma	5	5.0
	B.Sc	52	52.0
	MBA/Other Professional Diploma	36	36.0
	MSc	5	5.0
	PhD	2	2.0
	Total	**100**	**100.0**
Designation	Director	28	28.0
	Managers	58	58.0
	Line Officer	14	14.0
	Total	**100**	**100.0**
Year spent in the school	Below 5 Years	9	9.0
	6-10 Years	28	28.0
	11-15 Years	44	44.0
	16-20 Years	17	17.0
	21 Years and above	2	2.0
	Total	**100**	**100.0**

Source: Field Study 2019.

Above table show the distribution of the respondents according to organizations the complete questionnaire show that equal number of staff (twenty) were selected from the five companies forming 20 percent of the total respondents. The sex distribution shows that 65 percent are male while 35 percent are female. Age distribution show that majority are in age bracket of 40 years and above with 53 respondents or 53 percent while no respondents are the age below 20 years.

Distribution of respondents according to qualifications show that majority of the respondents are graduates of various discipline and the respondents with professional qualifications form the majority of managers and top echelon of the companies used as case study. It also observed that analyses of the respondents' qualification show that the respondents posses in addition to at least a first degree or its equivalent with management-related professional qualifications such as Chartered Financial Analyst (CFA), Associate of Certified Chartered Accountants (ACCA), Associate of Charted Accountants (ACA), Associate of Chartered Institute of Tax (ACIT), Associate of Chartered Institute of Bankers (ACIB), Member of Chartered Institute of Personnel Management (MCIPM), Member of Certified Quality Process Analyst (MCQPA), Member of Nigerian Institute of Management (MNIM) and Member of Institute of Chartered Chemist of Nigeria (MICCON). It show that the respondents are well exposed strategic management and planning in their various companies, therefore the information provided could be seen as adequate to a very large extent. In addition to their academic and professional qualifications, the respondents occupied top management positions with good years of service in the firms. Majority of the respondents has served in their companies for not less than 11 years and above which has taking to top of their various field.

In the analyses of the section B, it was discovered that majority of the respondents that there is strategic management process among the top management in each of the companies with 76 percent of the respondents strongly agree and 20 percent agree with 2 percent unaware and 1 strongly disagree and disagree. The result analyses revealed that the firms practiced strategic management to a very large extent as indicated by about majority with 80 percent that strongly agree while 17 percent agree and none disagreed. The results of the analyses showed that all the companies conduct environmental scanning with 92% strongly agree, 84 percent strongly agree with 10 percent agree while 5 percent are unaware and 1 percent disagree. The result is not in line with findings of Muogbo (2013) who posited that strategic management was not common practice among companies in Nigeria. This study showed that large-scale manufacturing firms in Nigeria adequately engage the tools of strategic management to gain competitive advantages.

In the analyses also it was discovered majority with 71 percent strongly agree and 14 agree that the strategies formulated are in line with the firms' vision and mission statement, and that the measures which include short term planning, budgets and procedures adopted for the implementation of strategies and policies had been effective with 80 percent strongly agree and 2 percent disagreed. It was observed further that 76 percent of the total respondents strongly agree that the firms regularly engaged the tool of evaluation and control of corporate activities and performance. It was discovered from the analyses that companies evaluate and disseminate information from the external and internal environments to key people within the organization with majority agreed with 70 percent 30 percent strongly agreed. On the statement on weather implementation of strategies and policies has been effective, majority with 76 percent strongly agreed while 22 percent agree with none disagreement also the adequate and efficient feedback system in the companies, the respondents strongly agreed with 76 percent strongly agree and 10 percent agreed that there are clear and unbiased information from subordinates which enable them evaluate and control activities towards improved performance.

The result of the analyses of data collected show that strategic management process has impact on the operational performance of the companies with 80 percent of the total respondents strongly agree with 19 agreed. Also majority with 92 percent strongly agreed that strategic management enhance their company's efficiency (reduces costs and increases productivity). While 99 percent of the total respondents agreed that strategic management aids timely delivery of the products of the firms. Also, a high proportion of the respondents with 89 percent strongly agreed that strategic management aids the utilization of human and material resources optimally.

The analysis further revealed that 88 percent of the total respondents agreed that strategic management brings about the innovation of products. Almost all the respondents indicated that strategic management improves the product quality of their companies.

3.7 Hypotheses Testing

The testing of hypotheses presented a good fit between the observed data and expected data. Hence using Non Parametric Statistical Tool of Chi Square with accompanied degrees of freedom, various goodness-of-fit statistics are shown in Tables below.

3.7.1 Hypotheses Testing

To test the Hypothesis I of the study;

H_0: Strategic management (SM) has no significant effect on companies' performance (CP).

Table 1: Chi Square (X^2) Analysis on respondents between Strategic management (SM) and (CP)

SN	Response	Freq	%	X^2 Cal	Remarks
6	Strongly Agree	76	76.0		
	Agree	20	20.0		
	Not Aware	2	2.0		
	Disagree	1	1.0		
	Strongly Disagree	1	1.0		
	Total	**100**	**100**		**Sig**
7	Strongly Agree	80	80.0		
	Agree	17	17.0		
	Not Aware	2	2.0		
	Disagree	1	1.0		
	Strongly Disagree	0	0.0		
	Total	**100**	**100**		**Sig**
8	Strongly Agree	71	71.0		
	Agree	14	14.0		
	Not Aware	5	5.0		
	Disagree	5	5.0		
	Strongly Disagree	0	0.0		
	Total	**100**	**100**		**Sig**
13	Strongly Agree	70	70.0		
	Agree	30	30.0		
	Not Aware	0	0.0		
	Disagree	0	0.0		
	Strongly Disagree	0	0.0		
	Total	**100**	**100**	**62.72**	**Sig**

Source: Field Study 2019.

NB. Chi Square (X^2) Calculated=62.72; Chi Square (X^2) Table =7.82
Degree of Freedom (df) =3 at 0.05 Level of Significant level (LS) and $P < 0.01$)

Decision:

In Table above presents the significant structural relationship among the research variables and the standardized path coefficients. The Chi Square Calculated is 62.72 while Chi Square Table equal 7.82 with degree of Freedom (df) =3 at 0.05 Level of Significant level (LS) and $P < 0.01$). It is observed that Chi square (X2) Table is less than Chi square (X2) Calculated. The hypotheses were strongly supported. The result indicated that Strategic management (SM) has effect on companies' performance (CP)

3.7.2 Hypothesis II Testing

H_0: There is no significant relationship between strategic management and firm's competition

Table 2: Chi Square (X^2) Analysis on relationship between strategic management and firm's competition

SN	Response	Freq	%	X^2 Cal	Remarks
11	Strongly Agree	76	76.0		
	Agree	22	22.0		
	Not Aware	1	1.0		
	Disagree	1	1.0		
	Strongly Disagree	0	0.0		
	Total	**100**	**100**		**Sig**
12	Strongly Agree	76	76.0		
	Agree	10	10.0		
	Not Aware	5	5.0		
	Disagree	4	4.0		
	Strongly Disagree	5	5.0		
	Total	**100**	**100**		**Sig**
14	Strongly Agree	80	80.0		
	Agree	19	19.0		
	Not Aware	1	1.0		
	Disagree	0	0.0		
	Strongly Disagree	0	0.0		
	Total	**100**	**100**		**Sig**
15	Strongly Agree	92	92.0		
	Agree	7	7.0		
	Not Aware	0	0.0		
	Disagree	1	1.0		
	Strongly Disagree	0	0.0		
	Total	**100**	**100**	44.480	**Sig**

Source: Field Study 2019.

NB. Chi Square (X^2) Calculated=44.480; Chi Square (X^2) Table =7.82
Degree of Freedom (df) =3 at 0.05 Level of Significant level (LS) and $P < 0.01$)

Decision:

Table 2 above presents the Chi-square of the relationship between strategic management (SM) and firm's competition (FM). The result show that the Chi square calculated (X^2_{cal}) is 44.480 while Chi square table (X^2_{tab}) is 7.82 with degree of Freedom (df) =3 at 0.05 Level of Significant (LS). Therefore reject the null hypothesis that strategic management does not have significant effect on firm's competition. This then implies that strategic management is directly related to firm's competition; that is, as strategic management practice increases, the level of competition also increases. This finding is in line with the finding of Covin and Slevin (1989), Meier et al. (2006) and Muogbo (2013) where it was concluded that strategic management process enhances firm's market share.

Summary of findings, Conclusion and Recommendations

Summary of findings

Strategic management comprises the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firm's objectives and improve organization's performance. It involve the process of making decision, planning, coordinating and taking some actions by the top managers of a company in order to achieve set goals and objectives. It is of note that decisions are of little use unless they are acted upon. Firms must take the necessary actions to implement their strategies. This requires top managers to allocate the necessary resources and to design the organization to bring the intended strategies to reality (Dess et al., 2005). Because it involves long-term, future-oriented, complex decision making and requires considerable resources, top-management participation is crucial.

It is established that respondents to the questionnaire used for data collection are competent and well able to represent the companies used as a case study, majority of the respondents are adequate in qualifications and job experience within the companies. These respondents are on top of their organizations, formulating and implement strategies and are able to comprehend feedback system within each of the companies.

It was discovered that each companies set up their own strategic management process and it is done among the top management, although research has shown that strategic management was not common practice among companies in Nigeria but large-scale manufacturing firms engaged strategic management to gain competitive edge. But there processes are always in line with companies' vision and mission statement. It was discovered that companies engaged evaluation and control of corporate activities disseminate information from the external and internal environments to key people for further formulation of strategy towards enhancing performance. Therefore it is established that strategic management has effect on companies' performance.

It was also shown from the analyses that strategic management has impact on the operational performance of the companies by enhance companies' efficiency by reducing costs and increase productivity therefore enhanced productivity. Therefore there is relationship between strategic management and firm's competition and that strategic management process enhances firm's market share and increase companies' competition.

Conclusion

The internal and external factors which determine strategic management in any companies help such company to gather information about their own present status, so that their strengths and weaknesses are specified and the opportunities, the probable threats in form of rivals of the organization are recognized with these the objectives are determined and realistic strategic plans are developed and implemented. Strategic management is the management of the process of making and implementing strategic decisions which gives companies competitive advantage.

Hence strategic management provides creative and innovative methods of planning that empower managers to take appropriate decision that will enhance performance. Therefore strategic management is an important activity of any company, strategic vision will help company to set future direction for the company's future activity in a manner to provide competitive edge in the industry.

Recommendations

From the foregoing, and looking at today's trend, it is evident that the space of change in our business environment presents fresh challenges daily. Therefore, a panacea must be found for the manufacturing subsector, if it must adequately meet its challenges. In line with the findings of this paper, we therefore recommend that as a matter priority, companies whether small, medium or large-scale company should set fund aside for research and development. There is need to incorporate strategic management process in business studies in business schools to serve as a research institute and incubation center for business strategy.

As result of globalization, companies in Nigeria should always engage strategic management process as major success factor.

Government has role to play in continuous business realignment in other to enhance their contribution to economic growth and development.

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