

Sustainable Performance of Small Manufacturing Enterprises in the Federal Capital Territory, Abuja: Effect of Strategic Management Practices

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Abstract

This study investigated the effect of strategic planning and process improvement strategies on the performance of small manufacturing firms operating across the six (6) Area Councils of the Federal Capital Territory, Abuja. A sample size 175 respondents was adopted from a population of 207 small manufacturing enterprises. The study applied both non-probability and probability sampling techniques, while the data collected were analysed with SPSS version 26.0, by applying multiple linear regression. The findings established that, the coefficient value of $r^2=0.646$ implies that a change in performance of small manufacturing enterprises is as a result of the contributions of strategic planning and strategic process. Therefore, the regression result revealed that, strategic planning and strategic process positively and significantly influence performance of small manufacturing enterprises. The study recommends that, small manufacturing businesses should adopt planning as a strategic tool to appropriately develop action-able blueprints to support the achievement of the firm's pre-determined goals and functional objectives, efficiently allocate and optimally utilise mobilised resources towards sustainable enhancement of functional productivity and organisational performance.

Keywords: Performance, Process Improvement, Strategic Management Practices, Strategic Planning, Small Manufacturing Enterprises.

1. Introduction

The continuous advancement in technological development and application in business has experienced rapid disruptive innovations, and changing dynamics within the business environment in Nigeria. Due to the quest for continued relevance and sustained competitiveness, diverse strategies are being adopted by businesses to innovate operational processes, achieve production efficiency, enhance firm productivity and financial performance, towards a customer-centric and value-driven product quality, through strategic business

planning (Abalaka, *et al.*, 2023), process improvement (Olukade & Isichei, 2021) and decision making (Strakova & Talir, 2019). The importance of strategic management practices has not only been recognised by large organisations, but also by increasing number of highly innovative small business enterprises, across various sectors of the economy (Oyedele, *et al.*, 2019). This is due to the multidimensional contributions of small business enterprises, acknowledged as the driving force stimulating employment generation (Elikwu, *et al.*, 2024), national productivity and economic growth of

emerging and advanced economies of the world (OECD, 2017).

A review of extant literatures revealed that small business enterprises are faced with challenges associated with the start-up phase of such enterprises; however, one key to achieving firm survival, market stability, profitability, growth and sustainable performance is the adoption of strategic management practices (Ekon & Bemnet, 2022; Eyanuku, 2021; Mumbé, 2019; Osuagwu, 2009). Strategic management practices are ideal for enhancing firm competitive advantage, through adoption and implementation of strategic business planning (Aderibigbe, 2021; Monye & Ibegbulem, 2018), strategic process improvement (Abubakre *et al.*, 2020, Olukade & Isichei, 2021) and strategic decision-making (Elikwu & Mohammed, 2020, Strakova & Talir, 2019).

The success or failure of strategic management practices adopted by a firm is often determined by the level of commitment of top management, and the quality of leadership displayed by the firm's chief executive officer (CEO), prior to and after the strategy design and implementation process (Oyedele, *et al.*, 2019). This is premised on the assumption that, a broad direction is offered by strategic management to the enterprise, which involves outlining the firm's long-term goals, guiding policies, functional objectives and plans premeditated to actualise these set goals and objectives, while integrating the efficient allocation of limited resources, for the effective implementation of the structured plans.

Comparable to large manufacturing firms, scholars have in the recent past increased focus on small manufacturing enterprises and the adoption of strategic management practices. A review of extant literature reveals studies on the correlation between strategic management practices adopted and increased competitiveness of small business enterprises (Sakpaide, *et al.*,

2023); internal operational process improvement (Abubakre *et al.* 2020); cost reduction and profitability (Lekan & Sabo, 2019; Monye & Ibegbulem, 2018); rational decision-making (Elikwu & Mohammed, 2020); and performance of small business enterprises (Eyanuku, 2021). Premised on the above, this study therefore examines strategic management practices of small manufacturing enterprises (processing) operational in Abuja, the Federal Capital Territory.

Small manufacturing enterprises are currently faced by numerous challenges hampering survival, efficiency, productivity, growth and development. This has made resulted into the abysmal performance of a host of small manufacturing industries in Nigeria; hence, the inability of these firms to play the catalytic role of economic growth and development. This according to various empirical studies has been attributed to diverse challenges such as inaccessibility to affordable capital and poor strategic management practices (Rambeka & Odollo, 2023), increasing industry and market place competition (Ekon & Bemnet, 2022), inadequate infrastructures, unfavourable government policies, multiple taxation (Abubakre *et al.*, 2020), inexperienced managerial skills and unprofessional practices. These challenges have resulted to high cost of production and doing business, underutilisation of firm capacity (Elikwu, *et al.*, 2024), inaccessibility to affordable finance (Lekan & Sabo, 2019) to support the importation of needed raw materials and technology, inability to improve internal organisational value creation processes, poor maintenance culture and poor strategic decision making (Elikwu & Mohammed, 2020).

Prior empirical studies established that practices of strategic management, such as strategic business planning (Aderibigbe, 2021), strategic process improvement (Abubakre, *et al.*, 2020) and strategic

decision-making (Elikwu & Mohammed, 2020), among others, in small business enterprises differs from the practices in big firms (Jokhu, et al., 2019), even when the most common determinants used are always the same, such as the top management team, environment and firm resources. These have resulted in managers of small business enterprises operating in more dynamic and turbulent business environments like Nigeria, to assume greater business risks; hence, they are required to adopt and utilize innovative strategic management practices than managers of all established firms with more resources and capacity to effectively mitigate the turbulence in the same business environments.

Nwatu (2024) observed that challenges associated with deterioration of raw material quality while in storage prior to production, obsolescence of machinery which increases wastages, its effects on production processes and the quality of its outcome, as well as pilfering of finished products, all resulting in the dwindling performance of small industries, can be attributed to absence of strategic planning and process improvement strategies. Ekon and Bemnet (2022) in a study indicated that, though strategic management practices have been incorporated in the operations of a sizeable number of small and medium enterprises operating in Nigeria; however, there is the bane of its wrong implementation and evaluation, which has not reflected the competitive advantage positions of these firms. Against this backdrop and owing to the absence of recent empirical studies focusing on the strategic management practices of small manufacturing enterprises operating in the Federal Capital Territory, Abuja, and how they can be used as competitive advantage to sustain and improve organisational performance, this study therefore examines strategic management practices

of small manufacturing enterprises in Abuja.

Premised on the above stated problems, these research questions are posited, to guide the search for results to the identified challenges.

i. To what extent has adoption of strategic planning enhanced performance of small manufacturing enterprises in Abuja?

ii. How has the adoption of process improvement strategies enhanced the performance of small manufacturing enterprises in Abuja?

The specific objectives of this study are:

i. To determine the extent adoption of strategic planning has enhanced performance of small manufacturing enterprises in Abuja.

ii. To examine how the adoption of process improvement strategies has enhanced the performance of small manufacturing enterprises in Abuja.

For the successful completion of the study, the following research hypotheses are formulated and will be tested to provide answers to the posited research questions.

H₀₁: The adoption of strategic planning has not significantly enhanced performance of small manufacturing enterprises in Abuja

H₀₂: The adoption of process improvement strategies has not significantly enhanced performance of small manufacturing enterprises in Abuja

2. Literature Review

Strategic Management Practices

The concept of strategic management denotes the recognition of a firm's plans and activities towards the actualisation of its predetermined goals. It encompasses activities that determine the firm's performance over a long-term (Rambeka & Odollo, 2023; Strakova & Talir, 2019). Strategic management is a continuous process which evaluates and controls the internal operations and markets within

which a firm operates, measures performance level and market size of industry competitors, and also establishes specific goals and strategies to meet expectations of various stakeholders. One of the focuses of strategic management is to achieve competitive advantage, through the attainment of efficient operational process, enhanced productivity and sustained performance (Sakpaide *et al.*, 2023). However, concerns about the use of strategic management by firms, stems from the variation in the levels of performance of these business entities, considering that, there are diverse approaches to its utilisation that accounts for performance variations between and among firms. This variation, Abalaka *et al.*, (2023) opines results in better industry and market positioning, which is an indication of competitive advantage over competitors.

Furthermore, strategic management focuses on long-term goals and the approach of the firm towards changes in the environmental dynamics (Ansoff, 2007), considering the significance of change to the survival, performance and growth of business organisations. For this reason, implementation of strategic plans and internal operational processes (Strakova & Talir, 2019) characterized by uncertainty, requires the intentional adoption of strategic management practices. Rambeka and Odollo (2023) assert that strategic management practices encompass the conception of actionable points based on strategic choice phase, assessment and implementation phases, concerned with mapping out plans of how the choice made can be actionable.

Strategic Business Planning

As a management function, planning is described as a process of setting and actualising organisational top management level goals and functional management level objectives, developing achievable mission statements (Abalaka *et al.*, 2023). As a proactive process of

decision-making (Strakova & Talir, 2019), planning occupies a fundamental place in management's present and future activities, as organising and staffing decisions are made, directing, coordinating and controlling (Tijjani, Pulka & Balami, 2023) decisions are critical.

A review of extant literature indicates that, an array of strategic business planning definitions has been advanced by various scholars in the field of management. Contribution of Drucker (1954), a foremost scholar of strategy asserts that, strategic planning implies an organisation's management based on well-articulated plans and rational strategic decision-making, premised on critical analytical process. From the perspective of Ansoff (1970), strategic planning is conceptualised as the process that seeks an improved alignment between the internal technology or the product of a firm and its increasingly turbulent markets. This definition views strategic planning from the position of transformation from an accustomed environment, to an unaccustomed world of odd technical-know-hows, new consumer choices, weird competitors and new scopes of social control. What differentiates strategic planning from the conventional business planning is that, it focuses on seizing and sustaining competitive positions for edge over industry rivals, focuses on long-term effects on the firm, and also generates activities and alternate actions towards the organisation's pre-determined goal.

Strategic business planning, among others entails mobilisation and efficient allocation of factors of production (resources), which is the basis for the development of policies and procedures to ensure the optimal utilisation of these resources (technology, human capital, finance, raw materials, information & network) (Elikwu, Ndubuisi & Obayi, 2019), for the sustainable accomplishment

of specific functional objectives and overall organisational goals.

Strategic Process Improvement

Encompassed with a firm's internal end-to-end activities, strategic business process management also entails activities external to the firm, but within its operations. Strategic business process management is associated with various operational improvement techniques (Dijkman, et al., 2016), in line with implementable global best practices (Audu, 2024), which can be scrutinised and evaluated, towards the enhancement of internal productivity and sustain performance of such organisations. Attaining a firm's maximum process improvement requires business process management (Olukade & Isichei, 2021) to sustain increased output (Marcinkowski & Gawin, 2019) and firm performance. However, many organisations struggle to improve their processes due to issues of inadequacy and efficient utilisation of resources, demonstrating how process performance can be enhanced.

Process improvement is an intentional approach by management which focuses on implementing precise sets of procedures, designed to improve the firm's operations, functional systems (Yananda, *et al.*, (2022) and the overall outlook. It implies intentional and systemic techniques adopted by top management to upgrade existing procedures or drive quality changes in the firm's operations. Process improvement is a deliberate and steady management action (Dijkman et al., 2016), devoid of completely altering prevailing operational patterns (Handoyo *et al.*, 2023), rather restructure same towards accomplishing enhanced productivity, through marginal increase in product quality, outputs and delivery.

The implementation of operational improvement strategies comes with some complexities (Audu, 2024), considering the interdependent and intertwined

relationships among activities of various functional processes. This denotes varying perspectives and interpretations are held by stakeholders, of how diverse processes are implemented (Handoyo *et al.*, 2023), leading to possible inconsistencies with firm's procedures and policies. Therefore, in achieving operational process improvement, the various intertwined firm's processes require aligning standardised techniques (Igor, 2021) with visualised outcomes, for the benefits of all stakeholders, uniformity in the understanding and interpretation of how organisational performance can be enhanced through processes improvement. Strategic business process improvement involves people, processes, resources and technology (Olukade & Isichei, 2021), measurement and monitoring (Yananda, *et al.*, 2022) conversion and output performance to accomplish innovative continuous improvement. Considering that, the primary focus of manufacturing firms is customer-driven value creation, which is obtainable through the incessant monitoring of every process of the production processes (Igor, 2021). This implies that, high performing manufacturing firms continuously drive and manage business processes to ensure active engagement of all employees towards achievement of functional objectives, quality of outputs, enhanced productivity, firm growth and sustainable performance in a competitive environment.

Organisation Performance

Organisational performance relates to the multidimensional productivity of a firm, ranging from stock and sales turnover (Handoyo *et al.*, 2023), increased customers' loyalty and patronage, firm profitability and market share. This concept is also concerned with the primary objective of business being profit maximization (Lekan & Sabo, 2019), optimally enmeshed in the entire capital and physical resources (Sakpaide, *et al.*,

2023), competitive edge of the team of human capital, and visionary leadership, all considered as productive assets, for the drive towards accomplishing a shared goal (Tijjani, *et al.*, 2023).

For an organisation to be considered successful, Abdulrahman (2019) asserts that there must be records of high returns on investment and broad performance drivers across every level of the organisation. Concerning approaches to firm performance, Odhiambo (2009) identified three approaches to performance in organisations: the pursuit of specific identifiable goals; the ability to secure scarce and inimitable resources within the environment; and process approach of performance, which involves behavioural attributes of human resource in the organisations. Furthermore, key financial indicators have also been used to conceptualise drivers of sustainable organisational performance. Financial indicators such firm robust working capital and liquidity level, consistent increase of cash-in-flow (Lekan & Sabo, 2019), increasing profit margin and assets turnover (Oyedele, *et al.*, 2019).

Theoretical Review

Ansoff Strategic Success Theory

This theory was propounded by Ansoff in 1984, and later advanced by Ansoff and McDonnell in 1990. The theory is premised on the assumption that, the responsiveness of an organisation's strategy to the turbulence inherent within the environment and alignment of its assertive strategy with operating capacity guarantees enhanced and sustained organisational performance. The theory also assumes that the actualisation of these conditions indicate that the potentials of an organisation's performance are at its maximum level. Thus, the need to employ factors of organisational capabilities as complementary techniques. This approach is adopted to regulate the modifications required to adequately align strategic

management practices with an organisation's internal capabilities, towards the guaranteed achievement of functional objectives and sustainable organisational performance. This implies that, appropriate adapted and implemented strategic management practices can influence a firm's performance.

Empirical Review

In a recent study conducted in Kajiado County, Kenya, Omondi (2025) investigated how return on assets as a performance indicator of businesses owned by families, are affected by the processes within organisational structure, design and systems, and efficacy of employee skills, as various adopted approaches of strategic management. Data for the study was collected from fifty-two businesses owned by families, enabled by the use of descriptive method of research and a semi-structured research instrument. In analysing the collated data, the study made use of inferential statistics and incredible linear regression to ascertain the significance and relationship between the variables. Based on the analysis of the data, the study established performance of businesses owned by families can be achieved when there is deliberate enhancement in the application of strategic management practices, such as organisational structure, design, systems and employee skills. The findings implied that processes internal to the firms' operations coupled with skills of its human resource, ensured the businesses increased their assets and performance.

In another recent study conducted in Nigeria, Adetayo and Akingbade (2025) examined how the use of strategic planning, execution and influencing decision-making styles adopted by small enterprises, as strategic management practices impact on their performance. Using the survey research design, semi-structured research instrument was employed to collect primary data from 395 managers and owners of small

enterprises. Descriptive statistics was utilized for the analysis of collated data, while multiple regression and logit models were utilized in testing the posited hypotheses. The result indicated probability and t-statistics of ($0.000 < 0.05$; $t = 6.930$), which implies that, performance of SMEs was significantly and positively affected by strategic planning, execution by ($0.000 < 0.05$; $t = 4.074$), as moderated by decision-making practice. The finding therefore established that, performance of each sampled SME increased, premised on a unit improvement of the strategic management practices in use.

Notably, Al Falah and Sundram (2025) examined how process improvement strategies, supported by the Lean Six Sigma were adopted to mediate quality management practices and production quality performance. Inferential and regression statistical tools were utilized to analyse and test data collected from 275 respondents, drawn from small enterprises. The findings indicate that, mediating role of process improvement enabled the significant and positive impact of quality management practices on quality of production performance. The finding also indicates that, a significant but indirect correlation exists between mediating process improvement and quality of production performance. The study revealed that, the integration of Lean Six Sigma into the process improvement significantly improves quality of production. This implies that, process improvement as a strategic management practice supports performance of small businesses.

In an earlier study, Nwatu (2024) examined the adoption of continuous improvement and just-in-time strategies, as they impact on product efficiency of processing firm in Anambra state Nigeria. Specifically, the study evaluated the effect of just-in-time and continuous improvement strategies on efficiency of

vegetable oil production. The underpinning theory is the Theory of Constraint (TOC), propounded by Goldratt and Cox (1992). Data were collected using the survey method of research, supported by structured questionnaire to a population of 942 staff of the selected firm. Posited hypotheses were tested using the regression method at 0.05% level of significance. The findings of the study revealed that, Just-in-time as a strategic practice has significant effect on product efficiency ($t, 3.229, p, 0.002$). also, continuous improvement strategies have significant effect on product efficiency ($t, 4.752, p, 0.000$). The study recommended that managers of vegetable oil processing firms should adopt the just-in-time strategic management practices and continuous training and development to boost efficiency of their operations and to improve sales performance.

Also, Handoyo et al., (2023) examined the direct effect of internal factors within organizations, including business strategy, operational efficiency and ownership structure, as they affect performance of manufacturing firms. The study conducted a comparison of firms with proactive and defensive strategies regarding operational efficiency and manufacturing performance differences between foreign and domestic owned firms. The sample adopted included listed manufacturing firms on the Indonesia Stock Exchange, between 2014 and 2021. The results revealed that operational efficiency as a firm strategy and structure of firm ownership significantly and positively affects performance of manufacturing firms. The result also revealed that, operational efficiency enhances in firms when there is an increase in firm competition, while foreign owned manufacturing firms have competitive advantage over domestic owned firms during intense business competition. Thus, the study established that firms utilizing business strategies considered as proactive, perform

significantly better than firms that utilise strategies considered as defensive.

Abalaka, et al., (2023) evaluated strategic planning effects on the performance of five operational firms within the manufacturing sector in Lagos metropolis. The study utilised primary data sourced using a structured research instrument to collect data from 50 participants, purposively selected. Collated data were analysed using descriptive analysis, correlation and analysis of variance (ANOVA). The finding revealed that operational performance and profitability of the manufacturing firms were significantly influenced by strategic management practices adopted. While the finding indicated a positive correlation, it concluded that, in enhancing manufacturing firms' performance, the adoption and utilisation of strategic management practices of cannot be overlooked.

3. Methodology

This study adopted survey research design, in order to obtain first-hand information from the owners of small manufacturing enterprises in Abuja. The choice of the survey research design was to support the collection of data and also based on its possession of adequate provision for protection of bias and maximized reliability (Creswell, 2014), and to establish the effect of Strategic Management Practices and Performance of Small Manufacturing Enterprises in the Federal capital Territory, Abuja. The population of this study covers the entire small manufacturing enterprises, registered with the Nigerian Small and Medium Enterprises (NASME), FCT-Chapter, operating in the six (6) Area Councils of Abaji, AMAC, Bwari, Kuje, Kwali and Gwagwalada, all in the Federal Capital Territory, Abuja.

The selected small businesses are those into various manufacturing and processing of diverse products. The total population

of MSMEs registered with NASME, FCT-Chapter, operating in various sectors are four hundred and thirty-two (432) in number while a total of 205 are into various manufacturing and processing, across various sectors. Based on the administered 207 research instruments, the study arrived at one hundred and seventy-five (175) respondents being owners /managers of small manufacturing enterprises, as the actual sample size, being the number of properly completed and returned research instruments and representing 85% of the baseline sample size, while 32 copies were dropped due to incomplete and missing information. The sample size was determined using the Taro Yamane estimation technique.

This study applied the probability sampling technique, the simple random sampling technique was used in selecting the any SME in FCT. Data collection for this study was collected using structured research instrument. The research instrument was structured to measure five-point Likert-scale responses, ranging from "Very High Extent" to "Very Low Extent" (5 = 'Very High Extent', 4 = 'High Extent', 3 = 'moderate Extent', 2 = 'Low Extent' and 1 = 'Very Low Extent'). Tests of validity and reliability were conducted to confirm the suitability of the instrument. The data collected were analysed with SPSS version 26.0, by applying multiple linear regression.

Model specification

The multiple regression equation is:

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \varepsilon_i$$

... (1)

Where; Y = Dependent Variable (Performance)

β_0 = Constant or intercept

β_{1i} , and β_{2i} , = Coefficients of the independent variables

X_{1i} = the independent variable (strategic Planning)

X_{2i} = the independent variable (Strategic Process)

ε_i = Error term

Decision Rule

The decision rule is:

Reject H_{01} - H_{05} if p value < 0.05,
otherwise Accept H_{01} - H_{05}

Assumptions

Normality, Linearity in parameters,
Homoskedasticity, and No autocorrelation

4. Results and Discussions

Collated data was subjected to data cleaning tests (missing values, out of range and reliability) and certified for the final analysis. (See Appendix). For instance, the result in the Appendix showed that there are no out-of-range values. This means that all the value range for this study is within 1-5. No value was found outside the 1-5 range. Missing values were detected in the result. The percentage of missing value was (0.0%) since the percentage of missing values is less than twenty percent (20%) as

indicated by Hair *et al.*, (2006) and Scheffer (2002), does not pose a challenge to the analysis of data.

Reliability of Variables

Table 1: Reliability Result

S/N	Questionnaire Constructs	Cronbach Alpha Reliability Result
1	Strategic Process (SPR)	0.704
2	Strategic Planning (SPL)	0.713
3.	Performance of SME (PERF)	0.719
4	Overall	0.712

Source: SPSS 26.0 (See Appendix)

The reliability test indicated that since the overall Cronbach Alpha value is 0.712 and is higher than the benchmark value of 0.7, it can be indicated that the instrument for data collection is reliable.

Assumptions of the Linear Regression

1. Normality

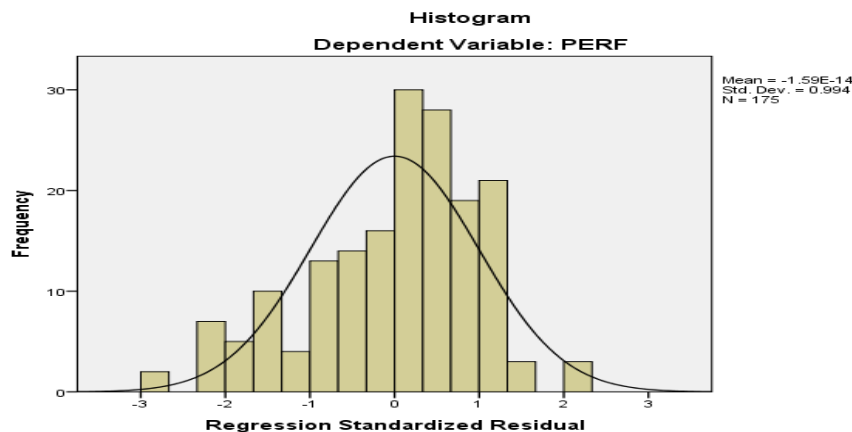


Figure 1: Normality test

Source: SPSS output 26.0

In order to ascertain the suitability of data employed for parametric analysis, this study conducted the Normality test. The rule holds that, in the event of non-normality of the data, a non-parametric analysis is required. Result of the Normality test depicted in Figures 1 above indicates a normal distribution of the data, as represented by the histogram, which

implies that the data is symmetric, owing to the bell-shaped curve.

Linearity in parameters

Table 2: ANOVA Approach for Linearity Test

		F	Sig.
Between Groups	(Combined)	12.989	.000
	Linearity	45.511	.000
	Deviation from Linearity	2.149	.225

Source: SPSS 26.0

Table 2 shows the result of the test for Linearity. It was found that the p-values of the deviation from linearity is greater

than the level of significant (0.05), indicating of linearity in the model.

Homoskedasticity

Table 3: Homoscedasticity

	Sum of Squares	df	Mean Square	F	Sig.
Regression	.059	1	.059	.926	.338
Residual	6.525	102	.064		
Total	6.585	103			

Source: SPSS 26.0

A Homoscedasticity refers to whether the residuals estimate from the difference between the estimated dependent variable and the real dependent variable are equally distributed, or whether they tend to bunch together at some values, and at

other values, spread far apart. This study tested for Homoscedasticity, the p-value of the result in Table 3 showed that the p-value is 0.338, which is greater than the level of significance of 0.05. This implied that there is homoscedasticity.

Table 4: Durbin-Watson Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.804 ^a	.646	.642	.21092	2.234

a. Predictors: (Constant), SPR, SPL

b. Dependent Variable: PERF

Source: SPSS 26.0

Results in Table 4 indicates R-square value of 0.646 and an adjusted value of 0.642, which implies that 64% of the variability in the performance of small manufacturing enterprises are explained by strategic planning and strategic process improvement adopted by the firms. This further implies that the data is fit for the model. Also, the general rule for autocorrelation based on the Durbin

Watson (DW) test is if the calculated value of d is close to 2 between 1.5 and 2.5. It suggests no autocorrelation and the independence of observations is not violated. This is because the DW value which is 2.234 and is approximately equal to 2.

Table 5: Multicollinearity

		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	SPL	.999	1.001
	SPR	.999	1.001

Source: SPSS 26.0

From table 5, the variance inflation factor (VIF) for the predictors is used to test if there is a strong linear association among them. The result of the multicollinearity

shows that there is no multicollinearity among the independent variables, since the values of the VIF are all less than 10 which is the benchmark.

Table 6: Regression estimates

	<i>Regression result</i>	
	<i>Coefficient</i>	<i>P-value</i>
Constant	0.902	0.000**
Strategic Planning (SPL)	0.134	0.000**
Strategic Process (SPR)	0.586	0.000**
r²	0.646	
N	175	
F*	156.905	0.000**
Durbin-Watson	2.234	

Dependent Variables PERF ** significant at 5%

Source: SPSS output 26.0

The coefficient of determination $r^2=0.646$ shows a 64.6% change in performance of small manufacturing enterprises, is as a result of the contributions or influences of Strategic Process (SPR) and Strategic Planning (SPL) to performance of SMEs. The F- test with a value of 156.905 and p-value of 0.000 shows that there is a strong linear dependency existing among the variables and it also indicated that the *f*-statistic shows the model has a very good fit.

From the regression result, it was found that Strategic Planning (SPL) and Strategic Process (SPR) positively and significantly influence performance of SMES. This means that improvement in Strategic Planning (SPL) will result to increase performance of the SMEs, and an enhanced Strategic Process (SPR) will bring about increase in performance of SMEs. The implication is that when the manufacturing and processing focused SMEs in FCT maintain and sustain their strategic planning and operational process improvement practices, their performance will be sustained over time. This will invariably increase quality of products, productivity levels, profit levels, business growth, likely retained earnings for business expansion, increase in employment, increase in tax remittance

and increased contribution to the economy.

Discussion of Findings

Premised on the results of the regression analysis and the reviewed empirical studies, this study reveals that, the finding of hypothesis one aligns with the empirical results of Adetayo and Akingbade (2025) performance of SMEs was significantly and positively affected by strategic planning and execution; the finding is also in alignment with the results of Abalaka, et al., (2023) that, operational performance and profitability of the manufacturing firms were significantly influenced by adopted strategic management practices.

From the test of hypothesis two which revealed a significant level of 0.003, and F value of 15.131 being high, necessitating the acceptance of the alternate hypothesis which states that, adoption of process improvement strategies has significantly enhanced performance of small manufacturing enterprises. The findings of hypothesis two corroborates the results of Omondi (2025) that, performance of businesses owned by families can be achieved when there is deliberate enhancement in the application of strategic management practices, such as organisational structure, design, systems and employee skills; agrees with Al Falah

and Sundram (2025) that, a significant correlation exists between process improvement and quality of production performance; Nwatu (2024) that continuous improvement strategies have significant effect on product; and the findings of Handoyo et al., (2023) which established that, operational efficiency as a firm strategy and structure of firm ownership significantly and positively affects performance of manufacturing firms.

5. Conclusion and Recommendations

Based on the major findings of hypothesis one and two, this study concludes that, adoption of strategic business planning significantly enhances and sustains performance of small manufacturing enterprises; while the adoption of process improvement strategies significantly enhances and sustains the performance of small manufacturing enterprises. This study therefore concludes that, strategic management practices (planning and process improvement) have positive and significant implications for enhancing and sustaining small manufacturing enterprises.

Recommendations

Premised on the findings and in line with the specific objectives of this study, it is recommended that small manufacturing enterprises should;

- i. adopt planning as a strategic tool to appropriately develop action-able blueprints to support the achievement of the firm's pre-determined goals and functional objectives, efficiently allocate and optimally utilise mobilised resources towards sustainable enhancement of functional productivity and organisational performance.
- ii. adopt and implement practicable process improvement strategies to enhance optimal capacity utilisation, in order to ensure a sustained process quality and maximum output.

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