Strategic Management Practices and Effectiveness of Selected Manufacturing Companies in Oyo State, Nigeria

Author Details: Joshua Adewale ADEJUWON
Department of Management and Accounting, Lead City University, Ibadan.

Abstract
This study examined the effectiveness of strategic management practices in selected manufacturing companies. The 249 manufacturing companies as registered with the Manufacturers Association of Nigeria, Ibadan, formed the population of the study. A sample of 152 companies was randomly selected. The survey research design was used and data was collected through questionnaires and structured interviews. Data collected was analysed using descriptive and regression analysis. Four hypotheses were formulated and tested at 0.05 degree level of significance. The test of hypothesis 1 confirmed a positive relationship between firm strategic management practices and firms' financial process effectiveness ($R = 0.522$). The analysis of variances showed that strategic management practices had a significant effect on the firm financial process ($F= 18.619$, $p < 0.05$). Test of hypothesis 2 showed a positive relationship between strategic management practices and firms' customer effectiveness ($R = 522$), and the ANOVA confirmed that strategic management practices had a significant effect on firms' customer effectiveness ($F = 16.617$, $p< 0.05$). Test of hypothesis 3 showed a positive relationship between strategic management practices and firms' internal process effectiveness ($R= 0.502$), the ANOVA showed that strategic management practices had a significant effect on firms' internal process effectiveness ($F = 16.619$, $p < 0.05$). Lastly, a test of hypothesis 4 showed a positive relationship between strategic management practices and the firms' learning/innovation effectiveness ($R = 0.558$), while the ANOVA indicated that strategic management practices had a significant effect on firms' learning/innovation process ($F = 18.819$, $p < 0.05$). The study concluded that strategic management practices had positive and significant effects on the financial, customer, internal process and learning/innovation perspectives of the manufacturing firms. Consequently, managers of manufacturing firms are advised to adopt strategic management practices in order to boost the firms' performance.

Key Words: *Strategic management, financial perspective, internal process perspective, learning/innovation perspective.*

Introduction

Manufacturing companies play significant roles in the economic and social lives of any country. Apart from providing employment and numerous consumption products, manufacturing companies contribute significantly to a country's Gross National Product (GNP). They produce goods for export to earn foreign exchange and therefore help to improve the balance of payments position. However, manufacturing companies today operate in increasingly volatile and hostile business environments that are characterized by an increase in global competition, short product life cycle, fast technological change, and customer demands for greater product varieties. Manufacturing companies must therefore take every available advantage that they can to maintain a sustainable competitive position by adding value to their customers and differentiating themselves from their competitors through the use of business strategies that would enhance their competitive position. Thus, the improved and increased outputs of manufacturing companies, using the strategic management process as a tool, would make citizens enjoy improved and better quality life. Every manufacturing organization should therefor focus on such techniques that would enhance its effectiveness.

Quite a number of empirical studies have been done on the subject matter of strategic management and firm performance. Muogbo (2013) examined the impact of strategic management on Organisational growth and development in selected manufacturing firms in Anambra State, Nigeria. The study found out that strategic management was not yet a common business practice among manufacturing firms in Anambra State, Nigeria. There is a need to replicate the study in Oyo state.

Monday, Akinola, Ologbenla and Aladeraji (2015) provided evidence on the effects of strategic management on the performance of manufacturing firms in Lagos, Nigeria. The result showed that strategic management had significant effects on the profitability and operational performance of the selected manufacturing firms. The scope is however limited to Lagos metropolis.

Askarany and Yazdifa (2016) studied the relationship between strategic management tools and organisational performance in New Zealand The study found out that there was a significant association between the diffusion of strategic management tools and organisational performance. The study is however limited to the New Zealand environment. There is a need to study the situation in Nigeria and particularly the Oyo State. Nyariki (2013) studied strategic management practices as a tool for enhancing the performance of SMEs in Kenya. The study found out that strategic management had a positive relationship with SMEs performance in Kenya.

Mafini (2016) investigated the constraints to strategy implementation and their influence on business performance in the South African Public Sector. The study found out that business performance is negatively affected as and when constraints become prevalent. This study is limited to the South African public sector.

Sharabati and Faquha (2014) used the balanced scorecard model to study the impact of strategic management on the Jordanian Phamaceutical Manufacturing (JMP) organisations' performance. The study found out that there was a significant and positive relationship between the implementation of the balanced scorecard variables among JPM organisations' business performance. The limitation of this study is its use of the four balanced scorecard elements as independent variables to measure business performance. There is a need to use the four balanced scorecard elements as the dependent variable of performance while strategic management would be used as the independent variable in the measurement of firm performance.

Needorn and Nwaeke (2015) studied the extent to which strategic management influenced the survival of consumer goods manufacturing companies in the Rivers State of Nigeria. The study, which was limited to Rivers State, found out that strategic management significantly enhanced the survival of consumer goods manufacturing companies.

Owolabi and Makinde (2012) studied the effects of strategic planning on corporate performance using Babcock University, Nigeria as the case study. The results of the hypotheses revealed that there was a significant positive correlation between strategic planning and corporate performance. This study was however in an educational environment.

Thus, worldwide, much has been written about strategic management and firm performance. There have been empirical studies about strategic management in New Zealand, Kenya, South Africa and so on, and even some states in Nigeria. There is a need to replicate this study in the Oyo State of Nigeria. This is particularly so because of the conflicting results of Muogbo (2013) on Anambra State which contradicts that of Monday et. al (2015) on Lagos State. Also, some of the existing studies were carried on in the educational and public sectors. There is a need to conduct further studies on manufacturing companies. Finally, the few studies that have used the balanced scorecard model thus far used the four balanced scorecard elements as independent variables to measure business performance. There is a need to use the four balanced scorecard elements as the dependent variable of performance while strategic management would be used as the independent variable in the measurement of firm performance as is done in this study. Thus, this study examined the effectiveness of strategic management practice on manufacturing companies in Oyo State, Nigeria.

Strategic Management

Strategic Management is the dynamic process of formulation, implementation, evaluation and control of strategies to realize the organisation's strategic intent (Kazmi 2008). Mahoney (2012) opined that strategic management addresses the organisational structure, resources and capabilities and the strategic positioning of the organization to create, capture and sustain competitive advantage. Hatif and Sadik (2012) explained that the application of strategic management practices by companies enhances the attainment of corporate objectives.

Strategic Management Framework

Kazmi (2008) developed the Comprehensive Model of Strategic Management which provides that the process of strategic management consists of four different phases vis: the establishment of strategic intent, formulation of strategies, implementation of strategies and strategic evaluation and control. Lack of consistency between the strategy pursued by a firm and its external and internal environment is a common source of failure (Grant, 2013) .

The first phase, establishment of strategic intent, includes five elements including communicating a vision; designing a mission statement; defining the business; adopting the business model and setting objectives. It is a powerful means of communicating the organizational intent down the line and ensures the creation of a result oriented organisational system. Strategic intent refers to the purposes the organisation strives for. An explicit structuring of a hierarchy of strategic intent has important implications for strategic management. It serves as a charter of aims that the organisation plans to achieve. It is helpful in laying down the aims of different sub-systems within an organisation.

The second phase is the formulation of strategies, concerned with the devising of a strategy or a few strategies. This phase is also called strategic planning. It is essentially an analytical phase in which strategists think, analyse and plan strategies. Grant (2013), stipulates that this phase involves eight elements: performing environmental appraisal; doing organisational appraisal; formulating corporate level strategies; formulating business level strategies; undertaking strategic analysis; exercising strategic choice, formulating the strategy and preparing a strategic plan.

Appraisal of the external environment of a firm helps to think of what it might choose to do. The appraisal of the internal appraisal however enables a firm to decide about what it can do. The purpose of organizational appraisal (also known as internal appraisal, internal analysis, organisational analysis or company analysis) is to determine the firms' capability in terms of strengths and weaknesses that lie in the different functional areas. The internal environment of an organisation is analysed in terms of the organisational resources and behaviour, strengths and weaknesses, synergistic effects and the competences.

Two relevant strategic models were reviewed in this study for the purpose of analysing the business environment in selecting a strategic position which was the SWOT Analysis model and PEST model.

The SWOT (acronym for Strength, Weakness, Opportunity and Threat) analysis is a systematic approach to understanding the environment. The SWOT analysis is usually done with the help of a template in the form of a four-cell matrix which is prepared by a group of managers in a workshop session. SWOT analysis is a viable tool for environmental scanning (Oyedijo, 2013).

The PEST model is used to identify significant general factors in the business' macro environment. PEST analysis represents all the major external forces (political, economic, social and technological) affecting the company so it is the best place to look for the existing or new opportunities and threats. The PEST framework is designed to provide managers with an analytical tool to identify different macro-environmental factors that may affect business strategies, and to assess how these factors may influence business performance now and in the future. These factors are:

(a) Political – Laws, global issues, legislation and regulations.

(b) Economic – Taxes, interest rates, inflation, the stock markets and consumer confidence.

(c) Social – Changes in lifestyle and buying trends, media, major events, ethics and advertising.

(d) Technological – Innovations, access to technology, licensing and patents, manufacturing, research funding, global communications.

The third phase of implementation is 'putting into action' phase. The strategies formulated are implemented through a set of five administrative and managerial actions. These include: activating strategies; designing the structure, systems and processes; managing behavioural implementation; managing functional implementation and operationalising strategies.

The fourth and last phase of evaluation and control involves assessing how appropriately the strategies were formulated and how effectively they are being implemented. Depending on the outcome of the assessment, actions could be taken ranging from fine-tuning implementation to a drastic reformulation of strategies. This phase has three elements: performing strategic evaluation; exercising strategic control and reformulating strategies.

Strategic evaluation answers questions like: Are the premises made during strategy formulation proving to be correct? Is the strategy guiding the organisation towards achieving its intended objectives? Are the organization and its managers doing things that ought to be done? Is there a need to change and reformulate the strategy? The motives for strategic evaluation include the need for feedback on current performance so that appraisal can be done and good performance rewarded for employee motivation. Strategic evaluation helps to keep a check on the validity of a strategic choice made during the formulation phase. Also, during the course of strategy implementation, managers are required to make various decisions.

Strategic control is a major management function along with planning, organising and leading. Basically, strategic control operates in a cyclical manner in a four-step manner consisting of establishing standards, measuring actual performance, evaluating actual performance with standards and determining/taking of corrective measures. Strategic control becomes necessary because the strategy is formulated on the basis of several assumptions relating to the environmental and organisational factors which are dynamic and eventful, also because there is a considerable time lag between strategy formulation and implementation.

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, sets goal and strategies to meet all existing and potential competitors and then reassesses each strategy to meet changed circumstances, new technology, new competitors, a new economic environment or a new social financial or political environment (Muogbo, 2013).

Organisational effectiveness in this study means firm performance, measured in terms of the balanced scorecard model. A business organization could measure its performance or effectiveness using financial and non-financial measures. The financial measures are exemplified by profits, return on investment and sales, while non-financial measures focus on customers' satisfaction and referral rate, delivery time and employee turnover (Monday et al) Financial measures of performance may not fully reflect the quality of the firm's effectiveness. 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.[4]

The Balanced Scorecard Model: The performance management system called balanced scorecard, is used to measure firm effectiveness in this study, It was developed by Kaplan and Norton (2000). It seeks to do away with the undue emphasis and bias on short term financial objectives and seeks to improve organizational effectiveness by focusing attention on measuring and managing a wide range of non-financial, operational objectives. According to Kaplan and Norton (2000) the balanced scorecard model requires an evaluation of organizational effectiveness from four different perspectives thus:

(a) Financial Perspective: This perspective considers the financial measures arising from the strategic intent of the organization. They include measures like an increase in sales, an increase in profit margin, improved cost structure, revenue, earnings, return on capital employed, improved average payment and collection period, improved asset turnover, improved earnings per share, improved working capital management and improved cash flow structure.

(b) Customers' Perspective: This perspective measures the ability of the organization to provide quality goods and services, effective delivery and overall customer satisfaction. Examples include such measures as market share, the ready availability of the product in the market, flexibility to respond to changes in the dynamic market environment, customer satisfaction and customer loyalty.

(c) Internal Business Process Perspective: Internal business processes are the mechanisms through which performance expectations are achieved. They lead to financial success and customer satisfaction. They are the key business processes at which the firm must excel to meet organizational objectives. Examples are indices for productivity, quality and efficiency measures. These include processes for reducing costs, increasing productivity, improving resource utilization and efficiency, an increase in the rate of stock turnover, improving product quality and innovation.

(d) Learning and Innovation Perspective: This perspective focuses on the ability of the organization to manage its businesses and adapt to change. To be able to face the challenges of the dynamic business environment and customer expectations, firms must take on new responsibilities that prompt their employees to develop new skills and capabilities. Examples of such measures include improved morale, knowledge through staff training and development, exposing members of staff to the use of best practices, reduced employee turnover, the share of the revenue from new products and the use of employee suggestions.

The balanced scorecard would therefor help in allocating resources within the organisation such that the four perspectives can be used to evaluate organizational effectiveness in meeting the organisations' goals and objectives. The four elements of the balanced scorecard model form the dependent variables of this study.

Theoretical Framework

The two major theories considered to support this work are the resource-based theory and the contingency-based theory

Resource- Based Theory

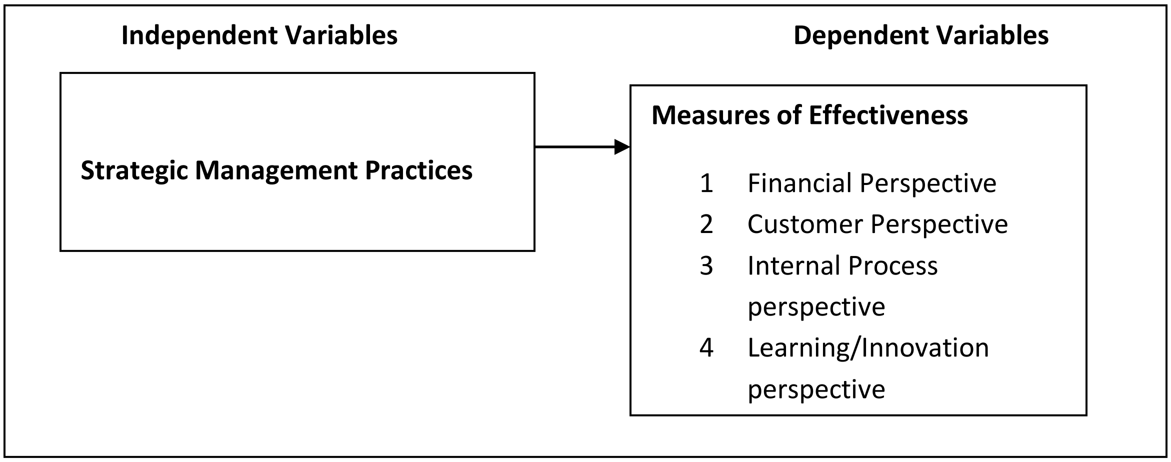
The resource based theory emanates from the principle that the source of a firm's competitive advantage lies in its internal resources as opposed to its positioning in the external environment (Barney, 2001). This theory, rather than simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses. The resource based approach stipulates that in strategic management, the fundamental sources and drivers of a firm's competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly to copy. Firm resources could be classified as physical, human, and organizational resources. The physical resources are the technology, plant and machinery, geographical location, and access to raw material. The human resources are the training, experience, judgment, intelligence and relationships present in an organization. The organizational resources are the formal systems and structures as well as informal relations among groups. Firms' resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge among others, controlled by a firm that enables the firm to conceive and implement strategies that improve its efficiency and effectiveness.

Barney (2001) further affirmed that resources of an organization could ultimately lead to the strategic advantage if it has four characteristics, that is, if the resources are valuable, rare, costly to imitate and non substitutable.

2.3.3 Contingency- Based Theory The contingency theory of leadership was developed by Fieldler (1958) and it is concerned with the fact that there is no one best style of leadership, but that a leader is effective when his or her style of leadership fits with the situation. Managers, consultants and researchers tried to apply the concepts of the major schools of management thought to real life situations. They found that methods that were highly effective in one situation would not work in other situations. They then sought an explanation for these experiences. Organisations should therefore develop managerial strategies based on the conditions and situations they are experiencing. Contingency theory allows for the analysis of a situation and determines what variables influence the decision with which you are concerned. The dynamism of strategic management and high volatility of the business environment make this theory to be very relevant to this study.

Study Model: Strategic Management Process and Firm Effectiveness

The model for this study is adapted from Kazmi (2008) ,which provided the elements of strategic management and the balanced scorecard model of Kaplan And Norton (2000)



Study Model Adapted from Kazmi (2008) and Kaplan and Norton (2000) and Monday et al (2015)

Research Hypothesis

Four hypotheses were formulated and tested at 0.05 degree of significance thus:

HO_1 Strategic management practices have no significant effect on the financial perspective of an organisation.

HO_2 Strategic management practices have no significant effect on the customer perspective of an organisation.

HO_3 Strategic management practices have no significant effect on the internal process perspective of an organisation.

HO_4 Strategic management practices have no significant effect on the learning/innovation perspective of an organisation.

Research Methodology

The descriptive survey research design was adopted in this study. The population of the study was all the 249 manufacturing companies in Oyo State, as registered with the Manufacturers Association of Nigeria, Ibadan, Oyo State, Nigeria as of 1st November, 2016. However, based on the Taro Yamane formula for the selection of a sample from a given population, a sample of 152 manufacturing companies was randomly selected for the study.

Both primary and secondary sources of data collection were used. A five point Likert rating scale questionnaire was administered to collect data directly from the respondents. The reliability of the instruments was achieved using fifteen manufacturing companies in Osun state through test and re-test methods with an interval of two weeks. A Crobach alpha coefficient of 0.72 was ascertained, confirming the reliability of the instrument. The data collected were analyzed using SPSS (Statistical Package for Social Sciences) version 20.0.

Results and Discussion

Socio – Demographic Characteristics of Respondents

All the respondents had at least a first degree or its equivalent, with management related professional training and qualifications. In addition to their academic and professional qualifications, almost 70% of the respondents have at least five years' experience in their various organizations and they occupy top management positions. This showed that the respondents are conversant with, and knowledgeable about, the strategic management process and its implication on companies' effectiveness. This is a responsibility that is normally assigned to top/senior management. Therefore, the data obtained from this caliber of respondents could be adjudged reliable. The questionnaire administered was 1,060 out of which 1,030 or 95% was retrieved and 1000 was found useable and used.

Extent of Strategic Management Practices in the Manufacturing Companies

This section showed the respondents' views about the four phases of the strategic management process and therefore, in summary, formed the strategic management practices used as an independent variable in the firms studied.

The summary of the weighted mean of responses from the four phases of strategic management, shown in table 1 below is the level of strategic management practice in the manufacturing firms studied. This shows that the firms studied practiced strategic management to a very large extent as indicated by about 76.4% of the respondents. This result is in agreement with the findings of Monday et al (2015) who concluded that large scale manufacturing firms in Nigeria practiced strategic management to a very large extent to gain competitive advantage. However, the result is quite contrary to the findings of Muogbo (2013) who concluded that strategic management was not yet a common business practice among manufacturing firms in Anambra state of Nigeria.

Table1: Summary of responses for the four phases of the strategic management process

Strategic Management Process	**SA**	**A**	**U**	**DA**	**SD**	**Mean**
Establishment of strategic Intent	32.4	33.4	9	14	11	3.62
Performing Strategy Formulation	48	41	2	5	4	4.24
Performing Strategy Implementation	37	34.33	6.33	12	10.33	3.75
Performing strategy evaluation and control	43.2	36.8	6.2	8.8	5.4	4.05
Weighted Mean:	40	36.4	5.9	10	7.7	3.92

Effect of Strategic Management on Firm Effectiveness

Research Hypothesis 1, HO_1: To test research hypothesis 1, Strategic Management practices have no significant effect on the financial perspective of an organisation, the level of strategic management practices was regressed with the financial process of the selected manufacturing firms. From the analysis in Table 2, although strategic management practices could barely explain about 27 % of the change in financial performance as indicated by the R^2 value, there was a positive relationship between strategic management practices and the firms' financial process effectiveness ($R = 0.522$). This means that as the level of strategic management practices increased, the effectiveness of the financial process also increased. Furthermore, the analysis of variances (ANOVA) in Table 3 showed that strategic management practices had a significant effect on financial process effectiveness $F = 18.619$, $p < 0.05$). These results were consistent with previous similar studies by Dauda et al (2010) and Gichunge (2007) that strategic management practices enhance organisational profitability.

Table 2 : Relationship between Strategic Management and Firms' Financial Perspective

R	R^2	Adjusted R^2	Std. Error of Estimate
0 522	0.272	0.231	0.883

a. Predictors: (Constant), Strategic Management

Table 3: Effect of Strategic Management on Firms' Financial Effectiveness (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	12.474	1	12.474	18.619	0.000
Residual	19.566	47	0.252		
Total	32.040	48			

a. Dependent Variable: Financial Effectiveness
b. Predictors: (constant), strategic management practices
Source: Author`s Computation, 2019.

Research Hypothesis 2, HO_2: To test research hypothesis 2, Strategic management practices has no significant effect on the customers' perspective of an organisation, the level of strategic management practices was regressed with the customers' perspectives of the selected manufacturing firms. From the analysis in Table 4, although strategic management practices could barely explain about 26 % of the change in financial performance as indicated by the R^2 value, there was a positive relationship between strategic management practices and the firms' financial process effectiveness ($R = 0.512$). This means that as the level of strategic management practices increased, the effectiveness of the financial process also increased. Furthermore, the analysis of variances (ANOVA) in Table 5 showed that strategic management practices had a significant effect on financial process effectiveness $F = 16.617$, $p < 0.05$). These results were consistent with previous similar studies by Dauda et al (2010) that strategic management practices enhance firms' market share.

Table 4: Relationship between Strategic Management and Customer Perspective

R	R^2	Adjusted R^2	Std. Error of Estimate
0 512	0.262	0.244	0.502

b. Predictors: (Constant), Strategic Management

Table 5 (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	8.233	1	8.233	16.617	0.000
Residual	18.475	48	0.248		
Total	26.708	49			

a. Dependent Variable: Firms' Customer Satisfaction
b. Predictors: (constant), strategic management practices
Source: Author`s Computation, 2019

Research Hypothesis 3, HO_3: To test research hypothesis 3, Strategic Management practices have no significant effect on the internal process perspective of an organisation, the level of strategic management practices was regressed with the internal process of the selected manufacturing firms. From the analysis in Table 6, although strategic management practices could barely explain about 25 % of the change in internal process performance as indicated by the R^2 value, there was a positive relationship between strategic management practices and the firms' financial process effectiveness ($R = 0.502$). This means that as the level of strategic management practices increased, the effectiveness of the internal process also increased. Furthermore, the analysis of variances (ANOVA) in Table 7 showed that strategic management practices had a significant effect on financial process effectiveness $F = 16.619$, $p < 0.05$). These results were consistent with previous similar studies by Monday et al (2015), and Meyer & Wit (2013) that strategic management practices enhanced operational performance and structural development of organisations.

Table 6: Relationship between Strategic Management and Internal Process Effectiveness

R	R^2	Adjusted R^2	Std. Error of Estimate
0 502	0.252	0.241	0.503

a. Predictors: (Constant), Strategic Management

Table 7: Effect of Strategic Management on Internal Process Effectiveness (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	4.233	1	4.233	16.619	0.000
Residual	11.575	46	0.252		
Total	15.808	47			

a. Dependent Variable: internal processes
b. Predictors: (constant), strategic management practice
Source: Author`s Computation, 2019

Research Question 4, HO_4: Strategic Management practices has no significant effect on the learning/innovation perspective of an organisation.

The analysis in Table 8 showed the effect of strategic management practices on the company learning/innovation process. Although the strategic management process of the selected firms could barely explain about 31% of the change in internal process performance as indicated by the R^2 value, there was a positive relationship between the strategic management process and the firms' learning/innovation process effectiveness ($R = 0.558$). This indicates that as the level of practice of strategic management increased, the effectiveness of the learning/innovation process of the firms also increased. Furthermore, the analysis of variance (ANOVA) in Table 9 showed that strategic management practice had a significant effect on firm internal process effectiveness ($F = 18.819$, $p < 0.05$). These results were consistent with previous similar studies by Meyer & Wit (2013) which revealed that strategic management enhanced the structural development of organisations.

Table 7: Relationship between Strategic Management and Internal Process Effectiveness

R	R^2	Adjusted R^2	Std. Error of Estimate
0 502	0.252	0.241	0.503

Predictors: (Constant), Strategic Management

Table 8: Effect of Strategic Management on Firm's Learning/Innovative Perspective (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	6.221	1	4.233	18.819	0.000
Residual	17.575	48	0.302		
Total	23.796	49			

a. Dependent Variable: learning/innovative performance
b. Predictors: (constant), strategic management practice
Source: Author`s Computation, 2019

Conclusion

5.1 Summary of Findings

The summary of the weighted mean of responses from the four phases of strategic management showed that manufacturing firms in the Oyo State of Nigeria practiced strategic management to a very large extent as indicated by about 76.4% of the respondents. This result is in agreement with the findings of Monday et al (2015) who concluded that large scale manufacturing firms in Nigeria practice strategic management to a very large extent to gain competitive advantage. However, the results are quite contrary to the findings of Muogbo (2013) who concluded that strategic management was not yet a common business practice among manufacturing firms in the Anambra state of Nigeria.

To answer research question 1, it was revealed that there was a positive relationship between the strategic management process and the firms' financial process effectiveness. Thus, as the level of practice of strategic management increased, the effectiveness of the financial process of the firm also increased. Furthermore, the analysis of variance (ANOVA) showed that strategic management practice had a significant effect on firm financial process effectiveness ($F = 18.619$, $p < 0.05$). These results were consistent with previous similar studies by Dauda et al (2010) and Gichunge (2007) that strategic management practices enhance organisational profitability.

To answer research question 2, it was found out that there was a positive relationship between the strategic management process and the firms' customer perspective effectiveness ($R = 0.522$). This indicates that as the level of practice of strategic management increased, the effectiveness of the customer perspective of the firms also increased. Furthermore, the analysis of variance (ANOVA) showed that strategic management practice had a significant effect on firms' customer satisfaction and effectiveness ($F = 16.617$, $p < 0.05$). This means that as strategic management practice increased, market perspective and therefore level of market share increased. These results were consistent with previous similar studies by Dauda et al (2010) that strategic management enhances a firm's market share.

To answer research question 3,it was found out that there was a positive relationship between the strategic management process and the firms' internal process effectiveness ($R = 0.502$). This indicates that as the level of practice of strategic management increased, the effectiveness of the internal process of the firms also increased. Furthermore, the analysis of variance (ANOVA) showed that strategic management practice had a significant effect on firms' internal process effectiveness ($F = 16.619$, $p < 0.05$). These results were consistent with previous similar studies by Monday et al (2015), and Meyer & Wit (2013) that strategic management practices enhanced operational performance and structural development of organisations.

Lastly, to answer research question 4, it was found out that there was a positive relationship between the strategic management process and the firms' learning/innovation process effectiveness ($R = 0.558$). This indicates that as the level of practice of strategic management increased, the effectiveness of learning/innovation process of the firms also increased Furthermore, the analysis of variance (ANOVA) in Table 19 showed that strategic management practice had significant effect on firm's learning and innovation process, ($F = 18.819$, $p < 0.05$). These results were consistent with previous similar studies by Muogbo, 2013, which revealed that a positive relationship existed between extrinsic motivation and employee performance. Strategic management practices for learning/innovation is a way of developing and motivating the members of staff to improve on their productivity and effectiveness.

Conclusion

From the information on the analysis obtained from the respondents and the interpretation of the results, the study concluded that strategic management was practiced to a large extent by manufacturing firms registered with the Manufacturers' Association of Nigeria, Oyo State as at 1st November, 2016. This was as revealed by about 76% of the respondents. Furthermore, strategic management practices had positive and significant effects on the financial, customer, internal process and learning/innovation perspectives of the manufacturing firms.

Recommendations

Based on the findings of this study, it is recommended that manufacturing firms in Nigeria should embrace strategic management practices since it had strong and significant positive effects on firms' financial, customer, internal process and learning/innovation perspectives.

For future research direction, this study should be replicated in the Nigerian service industry which also constitutes a significant proportion of businesses in the country. This will provide further evidence on the relationship between strategic management and firm performance in Nigeria, in particular, and developing countries in general.

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