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**RESEARCH ARTICLE**

**THE IMPACT OF STRATEGIC MANAGEMENT ON CORPORATE PERFORMANCE OF SELECTED  
SMALL BUSINESS ENTERPRISES IN CROSS RIVER STATE**

**Ben, Etim Udoh<sup>1</sup> and Agu. O. Agu<sup>2</sup>**

University of Nigeria, Enugu Campus \*Corresponding author: benudo123@yahoo.com,  
Don\_okojombo@yahoo.com

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**ABSTRACT**

The study investigated the strategic management practices of small business enterprises in Cross River State of Nigeria. The objectives of the study are; to determine the relationship between strategic management practices and performance of SBEs; to determine the relationship between strategic management practices and market share of SBEs; To determine factors affecting strategic management practices of SBEs. Cross sectional survey design was adopted. The population of the study was hundred and two (102) owners/managers of the selected organizations. Systematic sampling technique was employed in selecting the organizations from the list of registered companies in the state. Questionnaire was the main instrument for data collection and was designed in a 5-point Likert scale format supported with personal interview. The data collected were analysed with descriptive statistics, while the corresponding hypotheses were tested with Pearson Product Movement Correlation and Chi -square. . The findings indicate that there is significant positive relationship between strategic management practices and performance of SBES; there is significant relationship between strategic management practices and market share of SBEs. Infrastructural factors, macro environmental factors, and socio-cultural factors were found to be the major issues influencing the strategic management practices of SBEs. However, it was recommended that to accomplish the mission and objectives of SBEs in the light of growth and profitability, management need to have a positive rethink towards the use of strategic management.

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**INTRODUCTION**

Business performance of small enterprises has been a vital issue to management. In today's economic climate, small business enterprises competitions are greater than ever. Globalization has made business system to have undergone a number of changes in recent years. These changes are accompanied by growth both in size and magnitude. To cope with these changes, modern management techniques are used in contemporary business environment. One of such techniques is strategic management. Strategic management has been touted as one of the effective management tools in strengthening organization performance through effective decision making and systematic strategic formulation and implementation (Anthony 2009: 21) Strategic management is both the process and philosophy for determining and controlling the organizational relationship in its dynamic environment. As a process, it attempt to define approaches and techniques to assist management adapt to the dynamic of today, through the use objective and strategies. As a philosophy it changes how managers look at competitors, customers, market and even the organization itself. It objective is to stimulate management's awareness of the strategic implication of environmental event and internal decision (Paul, 2008:34-39) Strategic management is based on the belief that an organization should continually monitor internal and external event and trends so that timely changes can be made as needed. And organization must be capable of astutely

identifying and adopting to change. The need to adopt to change leads the organization to key questions such as: what kind of business should the firm engage in? Is the firm in the right field? Should the firm reshape its business? What strategies should it pursue (Nmadi 2007:16) The application of strategic management concept in small business enterprise seem under-researched (especially in developing economies), and empirical research pertaining to the strategic tendencies of small business enterprises is limited (Michael, 2009:14). In addition, due to the fact that the problems faced by small business enterprises are peculiar to them because of their sizes: the strategic management process exercised in these types is quite difference from that of the large firms (Michael, 2009:15). According to Ekpo(2008:34), the strategic management practices of small business enterprises are the reflections of the owners.

**Statement of the Problem**

Small business enterprises (SBES) in Nigeria have not performed creditable well and hence have not played the expected vital and vibrant role in the economic growth and development of the nation. This situation has been of great concern to the government, citizenry, operators, practitioners and the organized private sectors. However, the application of strategic management concept and tools in small business enterprise seem under-researched and empirical research pertaining to the strategic tendencies of small business enterprises is still insubstantial and unknown in the sense that

there is an absence of documented proof of its practice. Strategic management practices of small business enterprises are reflection of the owners (entrepreneurs) of those enterprises. Unfortunately, these small business owners do not possess adequate knowledge of strategic management issue, and tend to allocate very little resource for strategic management function not minding the fact that the overall performance of any business is strongly influenced by how well the firm's strategic management practice matches its organizational structure and behavioural norms of its employees. This study is undertaken to fill this knowledge gap. To fill this gap, this study aims to provide holistic view through empirical study on how strategic management is been adopted by small business enterprises as a tool of enhancing their performance.

### **Objective of the Study**

- To access the extent of adoption of strategic management among SBEs
- To determine the relationship between strategic management practice and performance of small business enterprises.
- To determine whether strategic management influenced organization market share.
- To determine factors affecting strategic management practices of SBEs

### **Research Question**

- To what extent do small business enterprises adopt strategic management in managing their affair?
- What is the relationship between strategic management practice and performance of small business enterprises?
- What is the relationship between strategic management and company market share?
- What are the factors affecting strategic management practices of SBEs?

### **Research Hypotheses**

- There is no significant relationship between strategic management practice and performance of SBEs.
- Strategic management practice does not have any significant relationship with company market share.
- There are no significant factors affecting strategic management practices of SBEs

### **Theoretical Framework**

#### **Small Business Enterprises**

Small business enterprises (SBEs) are differently defined all over the world. The bases used for such definitions include quantitative parameters such as number of employees and or the annual turnover and / or the level of fixed investment, among others. According to Okongwu (2001), SBEs in Nigeria are classified with regard to employed labour force and capital investment. Meanwhile, Ogundele (2007:41) describes small business enterprises as an organization employing a minimum of five employee and the financial capital outlay is not more than 150,000.00 (one hundred and fifty thousand naira). Smith (2004:23) posits that there are common peculiarities characterize almost all SBES. According to (Roberts and Wood, 2006: 104), Small business enterprises are treated differently from large-scale companies, and have different

problems which demand managerial approaches different from those of large-scale organizations. With regard to their management tendencies, they are organic in nature and may be seen as an extension of the entrepreneur's psychology. Also, SBES are structurally informal with few differentiations among their units. In term of financial, planning, control, training and information systems, SBEs are weak as a result of lack of resource. In addition, SBEs exhibit the peculiarities of companies operating under perfect competition: little ability to affect market price by altering output; small market share; inability to present entry barriers in their relevant industries; inability to easily increase prices; and substantial dependence on small number of customers and clients. It should be noted, however, that a wide range of definition exists for small business enterprise because there is no single official definition. The fundamental problem in arriving to a suitable definition of small business is due to the diversity of the sectors and the question of the status of the small business owned by large companies. Martin (2009:213) submits that the criteria for categorizing include number of employees, value of assets, annual sales, legal characteristics, and form of management, among others. Small business enterprise is one that is independently owned and operated for profit.

### **Strategic Management Practice and Small Business Enterprises**

The application of strategic management concept and tools in small business enterprise seem under-researched (especially in developing economies), and empirical research pertaining to the strategic tendencies of small business enterprises is limited (Michael, 2009:14). In addition, due to the fact that the problems faced by small business enterprises are peculiar to them because of their sizes: the strategic management process exercised in these types cannot simply be the same as that of the large firms (Michael, 2009:15). According to Ekpo (2008:34), the strategic management practices of small business enterprises are the reflections of the owners (entrepreneurs) of those enterprises. Furthermore, the owners/managers do not possess adequate knowledge of strategic management issues and tend to allocate very little resources for strategic management functions. Ukpong (2008:210) argued that few researchers have addressed the strategy making process of small size firms.

Even though small business are limited in terms of the resource and capabilities that are available to implement the formulated strategies, the basic SWOT analysis is just as relevant to small businesses as it is for large established firms. Therefore it is worth noting that possible strategic directions are basically the same except that small business faces far more barriers to finding appropriate strategic options that could be implemented given their limitation of internal capabilities. However, many authors have commented on the typical limitations of the strategic management alternative available to SBEs as a result of such issues as small market share and the limitations of resource and skill, among others. As a result of these limitations, it has been suggested that certain strategic management practices are typically more suitable for SBES, namely strategies that avoid direct competition with large companies, and strategies that involve the development of closer relationship and product adaptation (Effiong, 2005:29). In addition, it has also been suggested that strategic management practices appropriate for the growth of SBEs are

product development and market development (Martin, 2008:77), and these have been referred to as intensive strategies (David, 2009:85). Jackson (2008:21) notes that the strategic management practice of an organization can be focused on developing an array of new goods and service for different customers and clients. Baker (2007:43) submits that organizational efficiency and effectiveness are ultimately a function of the strategic management practice in the area of product or organizational offering. This is because "price" is the price of the product; "advertising" is the advertising of the product; "distribution" is the distribution of the product; and promotion is the promotion of product; all these strategic management practices are product considerations. Smart (2008:64) posit that the strategy of competing with rivals is one strategic management practice with which an organization can use to improve efficiency and effectiveness. Rivalry or competition by SBEs can result from the strategic management practice of trying to win sales or market share from other companies. In general, the more intense the rivalry in strategic management practice, the less attractive the market is for present and prospective competitors. This is because intense rivalry in strategic management practice is most often associated with higher than normal profit margins. Rivalry in strategic management practice by SBEs may be focused on advertising strategy which promotes the qualities of their goods or services.

### **Strategic Management and Performance**

The critical role of strategic on the performance of business organization cannot be over-emphasized. Carter (2006:56) submits that there is a strong consensus on the fact that performance is a key for strategy research. However, Akpan (2001:24) advocates that the debate lies on the appropriateness of various approaches to the measurement of organizational performance. Simple financial measure such as return on investment, return on equity, profit margin, market share, and debt to equity, earning per share, sales growth, and asset growth are not adequate criteria on their own to evaluate the success or failure of a strategy (Akpan, 2001:26). According to Ekpo (2008:34), the overall performance of any business organization is strongly influenced by how well the firm's strategic management practice matches its organizational structure and behavioural norms of its employees. Strategy is the salient factor differentiating between successful and unsuccessful business organizations (Higgins and Vineze, 2000:123).

Recent major studies of strategic management carried out in Nigeria by Akinlabi (2008) Nmadu (2007) and Anthony (2009) found support for the strategic management and organizational performance hypothesis. For instance the studies revealed that a SBEs corporate financial performance tends to increase with a unit increase in the level of practice of strategic management. The higher the overall level of strategic management practices by SBEs, the higher the financial performance of the SBEs expressed in terms of earning per share, profit before tax, return on capital employed, net asset, current working capital ratio, increase in relative market share, continuing addition of new product lines, and total deposits. For all the financial performance indicators used, performance tended to increased significantly as the level of strategic management increased. On the whole strategic management can make a difference. Basically, using the strategic management approach, where

managers at all levels of a business interact in planning and implementation has great behavioural consequences almost similar to those of participative decision making (David, 2009:132).

### **METHODOLOGY**

The study adopted survey method. The population of the study was hundred and seven (107) owners/managers of selected sample firms. Systematic sampling technique was employed in selecting the firms from the list of small scale enterprises in Cross River State. However, the research horizon was limited to Calabar, Odukpani and Akamkpa Local Government Area of the state due to economic, time and geographical constraints. The sources of data were both primary and secondary. The primary data were collected through questionnaire administration supported with personal interview while secondary data were sourced from journals, textbooks and the internet. One hundred and seven copies of the research instrument (questionnaire) were administered randomly to the owners and managers of the selected firms operating within research horizon. Only hundred and two copies of the questionnaire were duly completed and found useable for the present study, resulting in an effective response rate of 95%. The questions were tailored along a five point likert scale. The data collected from the field were presented and analyzed with descriptive statistic while the corresponding hypotheses were tested with Pearson's Correlation and Chi-square at 0.05 alpha level with the aid of computer through the application of Statistical Package for Social Science (SPSS 15.0 version).

### **Data Analysis**

The data obtained from the field were presented and analyzed with descriptive statistics to provide answers for the research questions while the corresponding hypotheses were tested with Pearson's Correlation and Chi-square at 0.05 alpha level. The personal data of the respondents (as requested for in the questionnaire) showed that the respondents belonged to the articulate age group of between 25 and 40 years, reasonably educated with some respondents having University education, reasonably experienced with work experiences clustering around 6-13 years and occupy enviable positions in their respective small business enterprises.

### **Question 1: Does your firm adequately adopt strategic management in managing her business?**

**Table 1. Extent of Application of Strategic Management in SBEs**

Options	frequency	Percentage (%)
Strongly Agree	79	77
Agree	11	11
Undecided	3	3
Disagree	5	5
Strongly Disagree	4	4
Total	102	100

Source: Field Survey, 2012

Table 1 present percentage responses concerning the extent of application of strategic management among SBEs, 77% of the respondents strongly agreed that managers/owners of SBEs applied strategic management technique in managing their enterprises, 11 percent of the respondents agreed, 3% percent were indifferent while 5% and 4% disagree and strongly disagree respectively. Evidence shows that 88% of the

respondents of the selected SBEs were either fully practicing strategic management or partially utilizing the approaches in their organizations.

## 2. What is the relationship between strategic management practice and performance of small business enterprises?

**Table 2. Coded Responses on Strategic Management Practice and Performance**

Questionnaire items	S.Agree/Agree		Disagree/S.Disagree		Undecided	
Do you agree that;	Freq	%	Freq	%	Freq	%
Application of strategic management helps in overcoming risk and uncertainties and therefore contributes to organizational success?	98	96	2	1.96	2	1.96
Overall Performance of firm is strongly influenced by how well the firm's strategic management practices match its organizational structure and behavioural norms of its employees.	99	97	2	2	1	1

Source: Field Survey, 2012

Table 2 above shows that 98(96%) of the respondents agree, 2(1.96%) disagree while 2(2%) were indifferent with the statement that application of strategic management helps in overcoming risk and uncertainties and therefore contribute to organizational success. On the assertion that overall performance of a firm is strongly influenced by how the firm's strategic management practices matches its organizational structure and behavioural norms of its employees, 99(97%) indicated agree. In contrast only 2(2%) of the respondents disagree while 1(1%) was indifferent.

**H<sub>0</sub>1: There is no significant relationship between strategic management practice and performance of SBEs.**

**Table 3. Descriptive Statistics of the Relationship between Strategic Management Practice and Performance of SBEs**

	N	Mean	Std. Deviation
Strategic Management Practices	102	1.1863	.60901
Performance of SBEs	102	1.2451	.78899
Valid N (listwise)	102		

Source: SPSSWIN15:00 version

**H<sub>0</sub>1: There is no significant relationship between strategic management practice and performance of SBEs.**

**Table 4. Correlation Matrix on the Relationship between Strategic Management Practice and Performance of SBEs**

		Strategic Management Practices	Performance of SBEs
Strategic Management Practices	Pearson Correlation Sig. (2-tailed) N	1 .922* .000 102	.922* .000 102
Performance of SBEs	Pearson Correlation Sig. (2-tailed) N	.922* .000 102	1 102

Table 3 shows the descriptive statistics of the performance of SBEs via strategic management practices, with a mean response of 1.18 and std. deviation of .60 for strategic

management practice and a mean response of 1.24 and std. deviation of .78 for performance of SBEs. By careful observation of standard deviation values, it can be said that there is about the same variability of data points amongst the dependent and independent variables. This implies that strategic management practices have gained much acceptance among small-scale enterprises. This is attributed to the fact that strategic management constitutes a greater percentage of variables that affect organizational performance positively.

Table 4 is the Pearson correlation coefficient for strategic management practices and performance of SBEs. The correlation coefficient shows 0.92. This value indicates that correlation is significant at 0.05 level (2tailed) and implies that there is a relationship between strategic management practices and performance ( $r = .92$ ). The computed correlations coefficient is greater than the table value of  $r = .195$  with 284 degrees of freedom ( $df = n-2$ ) at alpha level for a two-tailed test ( $r = .922$ ,  $p < .05$ ). However, since the computed  $r = .922$ , is greater than the table value of .195 we reject the null hypothesis and conclude that there is a statistical significant positive relationship between strategic management practice and performance of SBEs as reported in the probability value of ( $r = .922$ ,  $P < .05$ ). This could be attributed to the fact that owners/managers pursue the profit motive at all cost including the application of modern management practices

## 3. What is the relationship between strategic management and company market share?

**Table 5. Coded Responses on Strategic Management Practice and Market Share**

Questionnaire items	S.Agree/Agree		Disagree/S.Disagree		Undecided	
Do you agree that;	Freq	%	Freq	%	Freq	%
Application of Strategic Management constantly helps your organization to develop business models that enhances market share?	97	95	3	2.96	2	1.94
Efficient and effective strategic management practices successfully lead to continuing growth rate and increase in relative market share and expansion of firm's customers' population?	100	98	1	0.9	1	0.9

Source: Field Survey, 2012

Table 5 shows that 97(95%) of the respondents indicated agree, 2(1%) were indifferent while 3(2.9%) indicated disagree with the statement that application of strategic management helps their organization to developed business models that enhances their market share. On the assertion that efficient and effective strategic management practices successfully lead to continuing growth rate and increase in relative market share and expansion of firm's customer population 100(98%) of the respondents consented to the assertion. 1(0.9%) indicated disagree while 1(1%) remained undecided.

**H<sub>0</sub>2: Strategic management practice does not have any significant relationship with company market share.**

Table 6 displays the descriptive statistics of strategic management practices and company's market share. With a mean response of 1.24 and std. deviation of .72 for strategic

**Table 6. Descriptive Statistics of the Relationship between Strategic Management Practice and company market share.**

Descriptive Statistics			
	N	Mean	Std. Deviation
Strategic Management Practices	102	1.2451	.72353
Company's Market Share	102	1.3627	.95222
Valid N (listwise)	102		

Source: SPSSWIN15:00 version

**Table7. Correlation Matrix on the Relationship between Strategic Management Practice and Company market share**

		Strategic Management Practices	Company's Market Share
Strategic Management Practices	Pearson Correlation Sig. (2-tailed) N	1 102	.897* .000 102
Company's Market Share	Pearson Correlation Sig. (2-tailed) N	.897* .000 102	1 102

\*Correlation is significant at the 0.05 level (2-tailed).

Source: SPSSWIN15:00 version

management practice and a mean response of 1.36 and std. deviation of .95 for company's market share. By careful observation of the mean scores and standard deviation scores of both variables compared, there is no much difference in terms of mean scores and variability of data point. Table 7 is the Pearson correlation coefficient for strategic management practices and company market share. The correlation coefficient is 0.89. This value shows that correlation is significant at 0.05 level (2tailed). The correlation coefficient had positive value indicating that there is a positive relationship between the variables in consideration. However, the computed coefficient  $r = 0.89$  is greater than the table value of  $r = .195$  with 284 degrees of freedom ( $df = n-2$ ) at alpha level for a two-tailed test ( $r = .89, p < .05$ ). We reject the null hypothesis and conclude that there is a significant positive relationship between strategic management practice and company market share. This implies that marketing strategies put in place by SBEs such as marketing orientation, expansion of distribution network, qualitative product, as well as better design and packaging of their product impacted positively on their market share.

Table 8 shows factors influencing strategic management practices of small business enterprises (SBEs) in Nigeria. These factors are group into three sub- heading; infrastructural, macro-economic and social cultural factors. The elements constituting infrastructural factors include electricity, transportation, communication, and financial structure. In Nigeria, infrastructure is one of the business environments affecting business operation of SBEs. However, on power supply 99(97%) of the respondents consented to the statement that erratic power supply induces greater costs on their business operation, 2(1.96%) disagree while 1(0.96%) was indifferent. On transportation, 95(93%) of the respondents agree with the statement that poor transportation network is a big challenge to their operations. 2(1.96%) indicated disagree and 1(0.96) remained undecided. This implies that SBEs are

#### 4. What are the factors affecting strategic management practices of SBEs

**Table 8. Coded Responses on Factors Affecting Strategic Management Practices of SBEs**

Questionnaire items	S.Agree/ Agree		Disagree/ S.Disagree		Undecided	
	Fre q	%	Fre q	%	Fr eq	%
<b>INFRASTRUCTURAL FACTORS</b>						
<b>Do you agree that;</b>						
Erratic power supply induces greater cost on business operation?	99	97	2	1.96	1	0.96
Poor transportation network is a big challenge to your business performance?	95	93	5	4.96	2	1.96
Poor communication system is a setback to business activities?	94	92	6	5.8	2	2
Financial Structure is a serious challenge to SBEs?	97	95	4	3.98	1	0.98
<b>MACRO ENVIRONMENTAL FACTORS</b>						
<b>Do you agree that;</b>						
Some government policies are detrimental to the progress of SBEs?	86	84	7	6.8	9	8.8
High rate of inflation affect SBEs adversely.	100	98	1	1	1	1
Intense competition is unhealthy for SBEs survival	97	95	4	3.9	1	0.98
<b>SOCIAL-CULTURAL FACTORS</b>						
<b>Do you agree that;</b>						

Source: SPSSWIN15:00 version

faced with inadequate and ineffective industrial infrastructure and this situation has implication on strategic management practices and achievement of efficiency and effectiveness. Table 8 also shows that macro environment constitutes one of the major influences on the strategic management practices of SBEs. These macro environment factors include: government policies on SBEs, rate of inflation, competition and technological innovation. On the question that if some government policies posses a challenge to SBEs, 86(84%) of the respondents agree with the question. 7(6.8%) disagree while 9(8.8%) were indifferent. On the assertion that high rate of inflation affect SBES adversely, 100(98%) of the respondents consented to the assertion. 1(1%) was indifferent and the same percentage disagree. However, with the statement that intense competition is unhealthy for SBEs survival, 97(95%) of the respondents agree while 3(2.9%) disagree and 2(2%) were indifferent. This shows that in Nigeria, the macro environment variables have over the years been posing serious challenges to SBEs as a result of instability of government policies for SBEs, intense competition and high rate of inflation among others. These issues have consequently, influenced the strategic management tendencies of SBEs

**H<sub>03</sub>: There are no significant factors affecting strategic management practices of SBEs**

Table 9 shows the descriptive Statistics of the influences on, or factors affecting strategic management practices in small business enterprises. It is observed from the table that most (85%) of the factors impact on the strategic management practices of SBEs. However, attitude of Nigerian towards make

**Table 9. Descriptive Statistics**

Variables	N	Mean	Std. Deviation	Skewness	Kurtosis
<b>INFRASTRUCTURAL FACTORS</b>					
Electricity	102	1.9608	1.38537	.915	-.895
Transportation	102	1.8824	1.33716	1.005	-.794
Communication	102	1.3824	1.04402	2.636	-.5.540
Financial Structure	102	1.6765	1.27553	1.771	1.679
<b>ENVIRONMENTAL FACTORS</b>					
Government Policies	102	1.5784	1.01899	1.788	2.052
Inflation	102	1.7745	1.20975	1.404	.645
Competition	102	1.9510	1.40281	.835	-1.266
Technology	102	1.7745	1.31937	1.298	-.022
<b>SOCIO-CULTURAL FACTORS</b>					
Attitude of Nigerian	102	2.2549	1.48048	.370	-.840
Religion beliefs	102	1.5980	1.19620	1.710	1.303

Source: SPSSWIN15:00 version

**Table 10.**  
**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.775
Bartlett's Test of Sphericity	Approx. Chi-Square	1550.098
	df	45
	Sig.	.000

Source: SPSSWIN15:00 version

**Table 11. Total Variance Explained of Factors Affecting Strategic Management Practices**

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	6.436	64.361	64.361
2	1.516	15.157	79.519
3	1.034	10.340	89.857
4	.523	5.234	95.091
5	.199	1.990	97.081
6	.153	1.530	98.610
7	.073	.729	99.340
8	.029	.292	99.632
9	.022	.220	99.852
10	.015	.148	100.000

Source: SPSSWIN15:00 version

-in - Nigerian goods (mean = 2.2549) has the highest impact on strategic management practices of the SBEs followed by electricity (mean=1.9608), while communication (mean= 1.2843) had the least impact on the strategic management practices of the surveyed small business enterprises. Table 10 shows the KMO and Barlett's Test (factor analysis) of the factors affecting strategic management practices of the surveyed small business enterprises in Cross River State. The values in table 4.7b below seem to confirm the suitability of the data from this measure for factor analysis in line with the research recommendations of Stewart (1981). However, data normality was checked using rule of thumb proposed by kline (1998) which submits that any univariate skew values greater than 3.0 and Kurtosis greater than 10.0 may suggest problem of normality of data (Perry, 2001), and it has been suggested that the use of factor analysis should be avoided when variables are extremely skewed (Stewart,1995). None of the results approached these normality values. Therefore, we conclude that factors affecting strategic management have significant positive impact on strategic management practices of the

surveyed small business enterprises. Furthermore, Approximated Chi-square value ( $\chi^2_c = 1550.098$ ) is greater than the Chi-square critical value ( $\chi^2_f = 61.656$ ) with 45 degree of freedom (df) at 0.05 level of alpha ( $\chi^2_c = 1550.098$ ,  $p < .05$ ), thus further indicates that there is a statistically significant positive effect of factors affecting strategic management on strategic management practices of SBEs. Table 11 shows the total variance explained (factor analysis) of the factors affecting strategic management practices with one factors explaining 64.36% of the total variance. This clearly demonstrates a strong significant effect of these factors on strategic management practices of the surveyed small business enterprises.

## DISCUSSION OF RESULTS

### Strategic Management Practices and Performance of Small Business Enterprise

The finding of the study revealed that the surveyed small business enterprise that engaged in strategic management practice recorded high level of performance. However, from interview schedule the study recovered that extra cost were incurred in providing incentive to employees and workers were also regarded as agent of change and motivated to perform effectively. Some of the SBEs studies secured loan to improved their level of technology. They also put strategic planning in place along with proper monitoring and evaluation to achieve organizational vision. There was also good labour management relationship in the studied SBEs. This finding support the claim of Ekpo (2008:36) that the overall performance of any business organization is strongly influence by how well the firm's strategic management practice matches its organizational structure and behaviour norm of its employees.

### Strategic Management Practices and Company Market Share

The result of the study showed that there is a strongly correlation between strategic management practices and market share of the selected SBEs, this was demonstrated through marketing strategies put in place by the surveyed SBEs 'like market oriented which emphasize the important of customer; expansion of distribution network; qualitative product as well as better design and packaging of product which significantly impact on their market share. However, the finding of the present study re-enact the previous research finding of Ukpong (2008) that effective and efficient strategic management practice successfully lead to continuing growth rate and increase in relative market share and expansion of firm's customer's population.

### Factors Affecting Strategic Management Practices

The finding of the study revealed that many factors significantly impact on strategic management practices of the surveyed SBEs. These influences on strategic practices of SBEs were classifies into three groups; infrastructural factors; macro-economic factors; and socio-cultural factors. In Nigeria, industrial infrastructure is one of the business environments affecting the business operation of SBEs. Unfortunately, most of these infrastructures are in poor conditions. For example, electricity supply is very unreliable. Also, transportation is a

serious problem confronting SBEs. In addition, it is very difficult for most of our SBEs to have access to bank loans because of the strident conditions by the banks. This ugly situation has a negative implication on strategic management practices of SBEs. Macro environment is the general environment within which SBEs operates. In Nigeria, the macro environmental variables have been posing serious challenges to SBEs over the years as a result of instability of government policies, intense competition, high inflation rate, as well as technological changes among others. These issues have, consequently, influenced the strategic management tendencies of Nigerian SBEs. Socio-cultural factors affect the strategic management decision of an SBE adversely because these issues influence the way and manner consumers, clients, and other relevant publics relate to an SBE and its goods and services. These socio-cultural factors are; attitude of Nigerian customers/clients, to made-in-Nigerian goods/services and religious beliefs among others. The finding of the study is consistent with the research findings of Dickson (2008) that strategic management practice is partly a function of contextual/environmental factors.

### **Summary of Findings**

At the end of the study, the following findings were made: There is significant relationship between strategic management practice and performance of small business enterprises. The test of hypothesis one confirmed this ( $r = .922$ ;  $t_c = .922 > t_f = .195$ ). There is significant relationship between strategic management practice and company market share. The test of hypothesis two confirmed this ( $r = 0.89$ ;  $t_c = .89 > t_f = .195$ ). Infrastructural, environmental and socio-cultural factors significantly impact on strategic management practices small business enterprises  $x^2_c = 1550.098 > x^2_f = 61.656$ .

### **Conclusions**

Based on the evidence from this research, it seems reasonable to conclude that substantial emphases have been placed on aspect of strategic management practice by small business in Cross River State. The findings of the study show that strategic management has an effect on the performance of SBEs. Also, implementation of strategic management has a positive relationship with the company market share. In addition, infrastructural, environmental and socio-cultural factors significantly impact on strategic management of SBEs.

### **Recommendation**

To accomplish the mission and objectives of SBEs in the light of growth and profitability, management need to have a positive rethink towards the use of strategic management knowing that the success of a business or strategic depends primarily on the value judgement, energy, and skill of its top managers and the strategic implementation within the context and parameter of the uncertainty and ambiguity of the environment subjected to volatility. On the policy side, it is recommended that sustained efforts be made by governments at all level (federal, state and local) to provide adequate and reliable infrastructure (especially electricity) to encourage the operations of SBEs. Also, efforts should be geared towards designing policies and programmes that will assist the general macro environment for business in Nigeria. Specifically, economic policies and programmes that will make funds available and accessible to SBEs should be encouraged by all relevant agencies. Finally, the National Orientation Agency

(NOA) and Nigerian Image Project, among others, should embark on aggressive programmes that will encourage the patronage of made-in-Nigeria products. This will go a long way in reducing the negative behaviour of some Nigerian customers and client towards products made by Nigerian SBEs.

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