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Sustaining Organizational Competitiveness through Strategic Focus: A Case Study of Manufacturing Firms

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ABSTRACT: The study conducted on selected manufacturing firms in Nigeria focused on the application of strategic management to sustain organizational competitiveness. The study aimed to examine the impact of strategy implementation and evaluation practices on the competitiveness of these firms. The findings revealed that strategy evaluation practices have a significant and positive effect on the organizational competitiveness of selected manufacturing firms in Nigeria. This suggests that regularly evaluating strategies can help firms stay competitive in the manufacturing industry. The study utilized a cross-sectional research design and focused on a population of 15,625 individuals across the consumer, industrial, and healthcare sectors listed in the Nigeria stock exchange. A sample size of 390 was determined using the Taro Yamani formula, and data was collected through interviews and questionnaires. Using Stata version 31 for data analysis, the study found that strategic strategy evaluation practices and strategic decision-making practices have significant positive effects on the organizational competitiveness of selected manufacturing firms in Nigeria. The study revealed that for any organization to maintain a strong competitive position over a long period, it is crucial to have effective strategic implementation and evaluation. To ensure the success of strategic planning practices, policymakers should allocate sufficient resources. This study adds to our understanding by demonstrating that the implementation and evaluation of strategic plans enhance the competitiveness of manufacturing firms in Nigeria.

Keywords: Strategic implementation, strategic evaluation, organizational competitiveness

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INTRODUCTION

The ability of a company to attain market superiority is referred to as competitive advantage (Evans and Lindsay, 2011). This notion is at the heart of strategic management, as every company looks for a vantage point from which to obtain a competitive advantage over its competitors. While getting a cost advantage over competitors has been recognized as one strategy to gain a competitive advantage, product differentiation is another way to gain a competitive advantage (Cegliński, 2016). Product differentiation by itself was Unless the difference achieved grabs and captures the imagination of clients, it is of little value. If the customer is to be fully happy, the client's requirements and wishes must be incorporated into the company process. These needs and wants were through customer surveys and then became entrenched in design to production delivery and use (Evans and Lindsay, 2011). The goal of strategic evaluation and control is to keep track of the plan as it is executed, identify problems or changes as they arise, and make the appropriate modifications (Pearce and Robinson, 2008). One of the ways that management evaluates and regulates a strategy is to study monthly, quarterly, and annual reports. The reviews require a look at for instance the profit margins, sales; earnings per share and return on investment to assist management in determining the effectiveness of the strategy being implemented. Pappas *et al.* (2007) looked at how control strategies and market instability interact to affect strategic success in sales-driven businesses. Self, professional, activity, and output control systems have diverse effects on engagement in strategic activity, according to the results of a survey of sales-driven firms. With growing awareness of environmental issues and the financial implications connected with them, it is becoming increasingly important for businesses to incorporate environmental activities into their overall business plan (Sindhi and Kumar, 2012).

The problem

Major challenges organizations are facing today are a lack of clear understanding of strategic management and their objectives and a hypercompetitive business environment that have pushed manufacturing firms in Nigeria to limits, As a result, strategic management techniques that support plans, choices, and decisions that lead to a competitive advantage and improve their ability to compete worldwide are required.

Objectives

1. To examine the effect of strategy implementation practices on organizational competitiveness.
2. To ascertain the effect of strategy evaluation practices on organizational competitiveness.

Hypotheses

H_{O1}: There is no significant effect of strategy implementation practices on the organizational competitiveness of selected manufacturing firms of selected firms in the manufacturing industry.

H_{O2}: There are no significant effects of strategy evaluation practices on organizational competitiveness of selected firms in the manufacturing industry.

Literature review

Strategic management practices are the art and science of formulating, executing and analyzing cross-functional decisions that will help an organization achieve its goals (Mintzberg, 2015). It is the process of specifying the goals of the organization, developing policies and plans for achieving these goals and allocating resources for implementing policies and plans to achieve the goals of the organization.

Therefore, strategic planning incorporates the strategies of a company's various functional areas to achieve organizational objectives. It is the company's highest level of administrative operation, which is normally created by the board and carried out by the CEO and executive team. Strategic management provides the company with overall direction and is closely linked to the organizational studies sector.

According to Lamb (2014), Strategic management is a continuing procedure which analyses the markets and sectors in which the organization is involved, examines its competitors sets targets and objectives for meeting both current and future competitors, and reviews each plan annually or periodically to assess how it has been implemented and whether it has been successful or need to be replaced by a new strategy to deal with changing circumstances, new technology, new competitors, a new economic climate or a new social, financial or political environment.

Strategy implementation practices and organizational competitiveness

Strategy implementations practices influence competitive positioning in any sector and to a very large extent determine the performance of organizations. According to Kihara et al. (2016), how a strategy is implemented has a significant impact on whether a company succeeds, survives, or dies. According to Rajasekar (2014), in a dynamic business environment, firms that embrace effective internal procedures are more likely to have a competitive advantage over competitors. It is critical to implement an efficient strategic strategy to solve the problems, given the dynamic and developing conflicting elements.

Sisson (2013) believes that the level of commitment of the leader is what drives the strategy implementation process leading to gaining competitive advantage and better performance in the organization. Welch (2005) states that a leader should be able to motivate and empower the staff when implementing strategy. He suggests that the leader should have the energy, should energize, execute and create an edge for staff to gain a competitive advantage. Management practices after controlling for the influence of industry sector, firm size, age and ownership structure. Each of these factors is likely to impact the extent to which firms have developed good management practices in terms of strategy and HRM (Kawshala, 2017).

Strategy evaluation practices and organizational competitiveness

Strategy evaluation done continuously enables a company to benchmark its progress more effectively. Successful strategies combine patience with a willingness to promptly take corrective actions when necessary. Strategy evaluation should provide a true picture of what is happening and it should not dominate decisions instead it should foster mutual understanding, trust and common sense (David, 2009). The strategic management process results in decisions that can have significant, long-lasting consequences. Erroneous strategic decisions can inflict severe penalties and can be exceedingly difficult, if not impossible to reverse.

Most strategists agree, therefore that strategy evaluation is vital to an organization's wellbeing; timely evaluations can alert management to problems before a situation becomes critical (David, 2009). Adequate and timely feedback is the cornerstone of effective strategy evaluation. Strategy evaluation can be no better than the information on which it is based.

According to Waweru and Omwenga, (2015), strategy evaluation can be a multifaceted and sensitive undertaking and thus too much emphasis can be expensive and counterproductive. Too much evaluation can lead to less control as too little can create worse problems and therefore a balance must be maintained Pearce and Robinson (2013) Strategy evaluation simply put is an appraisal of how well the organization has performed. Evaluation checks if the productivity has increased, profit margins, earnings per share and return on investment have gone up and if the firm's assets have increased. Abdalla, (2015), postulates that a strategy must neither overtax available resources nor create unsolvable problems.

Theoretical framework

Core competency theory

The core competency theory was developed by the leading management experts, Prahalad and Hamel (1990). In the theory, core competency is characterized as "the organization's collective learning, particularly how to coordinate varied production capabilities and integrate multiple streams of technologies" (Prahalad and Hamel, 1990). Core competencies, according to Pearce, II, J.A., Robinson, are the talents and abilities that are used to deploy resources across an organization's activities and processes to gain a competitive advantage in a manner that others cannot mimic or get. As such core competency is a capability that is central to a firm's value-generating activities instead of only ownership of a resource. The core competency hypothesis is a strategy theory that recommends measures that businesses should take to gain competitiveness and market advantage. According to the principle, businesses should focus on their strengths or the areas or functions in which they excel (Wheelen and Hunger, 2006). According to Prahalad and Hamel (1990), core competencies contribute to the development of core products, which may then be leveraged to create a variety of products for end customers. Rather than a single significant change, competencies are established over time through a process of continuous improvement. Technical excellence, client relationship management, and highly efficient procedures are some of the key skills that companies may possess. According to the core competency theory of strategy, for an organization to be successful, it needs not only tangible resources but also intangible resources such as core competencies, which are difficult to acquire. In the future, it will be vital to manage and increase competencies in response to industry changes. As a result, the theory outlines how executives might develop the industry foresight required to adjust to industry developments and create resource management strategies that will allow the organization to achieve its objectives despite any limits. To revitalize the process of new business creation, executives should build a point of view on which core competencies can be built for the future. The key to achieving success in the future industry lies in cultivating an independent perspective on the opportunities that lie ahead and building the necessary capabilities to seize them (Kawshala, 2017). To tap into their core capabilities, firms must orient their strategies during strategic human resource management practices, according to the core competency theory. The firm's core competency is the foundation for its value contributed and competitiveness. Furthermore, core competency is a crucial aspect that the firm should identify in its strategic planning, development, implementation, evaluation, and decision-making to achieve its long-term corporate goals, according to the theory. For this thesis, the core competency theory is used because the skills and abilities by which resources are deployed through an organization's activities and processes to achieve competitive advantage in ways that others cannot imitate or obtain are critical to the achievement of any organization's set goals and objectives. The theory emphasizes the need for skills and abilities to achieve results with the key variables of strategic management practices (strategic planning practices, strategy formulation practices, strategy implementation practices, strategy evaluation practices, and strategic decision-making practices), the adoption of core competence theory. The Resource dependency theory is important to this study because an organization's ability to gather, alter and exploit raw materials faster than competitors can be fundamental to success. Hence the study adopts a hybrid theory of core competency and the Resource dependency theory to ensure effective strategic management practices.

Empirical Review

Olanipekun et al. (2015) looked into how organizational performance and competitive advantage were impacted by strategic planning in a Nigerian bottling company. 200 respondents were purposefully chosen for the study, and the researchers employed a questionnaire to collect data, which they then analyzed using the Quilford and Flusher formula. The research employed a method involving random sampling. The results showed that implementing strategic management techniques can give the business a competitive edge.

METHODOLOGY

The Cross-sectional research design was adopted for this

Table 1: Suppliers' strategic partnership has no significant relationship with the organizational competitiveness of firms.

Source	SS	df	MS		
Model	152.725316	5	30.5450633	Number of obs =	300
Residual	77.9413502	294	.265106633	F(5, 294) =	115.22
				Prob > F =	0.0000
				R-squared =	0.6621
				Adj R-squared =	0.6564
Total	230.666667	299	.771460424	Root MSE =	.51489

orgcp	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
strpp	.1295805	.0370333	3.50	0.001	.0566966	.2024644
strfp	.2050601	.0376652	5.44	0.000	.1309326	.2791875
strip	.203679	.0484893	4.20	0.000	.1082489	.2991092
strep	.1470921	.0659648	2.23	0.027	.0172689	.2769152
strdp	.3462778	.0648797	5.34	0.000	.2185903	.4739652
_cons	.1076141	.1709893	0.63	0.530	-.2289041	.4441324

study. The population for the study consists of forty-eight (48) manufacturing companies in three categories/sectors/ sub-sectors (Consumer, Industrial and Healthcare Sector) in the Nigerian Stock Exchange. Given the total workforce and the management staff of the selected quoted firms, the total population of the study is 15,625. The sample size of 390 was derived using Taro Yamani's formula (Pearce, & Robinson, 2008). The study conducted Kaiser Meyer-Olkin Measure (KMO) and Bartlett's Test to determine the worth of the factor analysis and sampling adequacy. Inferential analysis assists in understanding relationships between the study variables. Multiple regression analysis was chosen because it is best suited to test the relative effect of the
independent variables on the dependent variable.

Hypotheses

H_{O1}: There is no significant relationship between strategy implementation practices and the organizational competitiveness of selected manufacturing firms in Nigeria is not significant. The regression result output in (Table 1) above shows that the strategy implementation dimension of strategic management practices has a significant positive effect on the organizational competitiveness of manufacturing firms in Nigeria (Coef. 0.2036, p = 0.000), the p-values for strategy implementation are less than 0.05, hence, we reject the null hypothesis and accept the alternate, which state that strategy implementation dimension of strategic management practices has a significant relationship with organizational competitiveness of manufacturing firms in Nigeria.

$H0_{2:}$ There is no significant relationship between strategy evaluation practices and the organizational competitiveness of selected manufacturing firms in Nigeria. The regression result output in (Table 1) shows that the strategy evaluation dimension of strategic management practices has a significant positive effect on the organizational competitiveness of manufacturing firms in Nigeria (Coef. 0.1470, p = 0.027) since the p-values for strategy evaluation are less than 0.05, we reject the null hypothesis and accept the alternate, which states that there is a significant relationship between strategy evaluation dimension of strategic management practices and organizational competitiveness of firms.

RESULTS AND DISCUSSION

The finding also shows that the strategy implementation dimension of strategic management practices has a significant positive effect on the organizational competitiveness of manufacturing firms in Nigeria (Coef. 0.2056, p = 0.000), the p-values for strategy implementation is less than 0.05, hence, we reject the null hypothesis and accept the alternate, which state that strategy implementation dimension of strategic management practices has significant relationship with organizational competitiveness of manufacturing firms in Nigeria. This finding is in line with Lamb(2014) that the strategy implementation dimension of strategic management practices has a significant relationship with organizational competitiveness.

Similar findings have been reported in previous research, such as Ameen, 2020) who looked at the impact of strategy implementation on commercial bank performance in Kenya. According to Ameen(2020) there is a substantial link between strategy implementation and company competitiveness.

Based on research conducted by various scholars, it has been found that strategy formulation outcomes vary across businesses. However, Julian (2013) has proposed certain approaches that can be used to formulate effective strategies to enhance the performance of organizations in Kenya. This finding has been supported by Evans and Lindsay (2011). The regression result output shows that the strategy evaluation dimension of strategic management practices has a significant positive effect on the organizational competitiveness of manufacturing firms in Nigeria (Coef. 0. 1470, p = 0.027), since the p-values for strategy evaluation less than 0.05, we reject the null hypothesis and accept the alternate, which states that there is significant relationship between strategy evaluation dimension of strategic management practices and organizational competitiveness of firms. This is in consonant with Pearce and Robinson (2008) that strategy evaluation has a significant positive effect on the organizational competitiveness of manufacturing firms. Abdalla (2015) supported that There is a shared motivation for strategy evaluation; well-defined procedures for strategy evaluation; a conscious effort to gather information on strategy performance; and clear responsibilities for statistical assessment. and regularly informed demand for results of information and that all these aid effectiveness and competitiveness of firms.

Conclusion

The study has determined that the implementation of effective strategic evaluation practices is crucial for identifying potential obstacles that may impede an organization's ability to achieve its strategic goals. This, in turn, plays a pivotal role in determining the organization's market position and competitiveness. It is important to note that even well-crafted strategies will not guarantee the realization of an organization's long-term objectives unless they are meticulously executed within the appropriate environmental circumstances.

Recommendations

1. The study recommends that policymakers should ensure adequate resource allocation to ensure strategic planning practices of the firms are successful.
2. The study further added that strategic evaluation should be an instrument for quality control.

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