



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Effects of Strategic Management on Firm's Performance of Yobe State Flour Mill Company: A Case Study of Yobe State Flour Mills in Potiskum, Nigeria

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ABSTRACT:

This study examines the effect of strategic management on firm's performance in Nigeria with particular reference to flour mill in Nigeria, Yobe state flour Mills Company in Potiskum. The study employed cross sectional survey design which is exploratory in nature because the data were collected at a particular point in time to examine how strategic management process affect performance flour mills company Nigeria. The population for the study staff in Yobe state flour mills. The cluster sampling technique was adopted in this study. This was complemented with the simple random sampling technique. The analytical techniques employed were Correlation and Multiple Regression Statistics to determine the strength and direction of the relationship and test the hypotheses with the help of IBM data editor of Statistical Package for the Social Sciences. The findings of the study revealed that there is a significant relationship between strategy formulation, strategy implementation and firm performance in the Potiskum flour mills sector. Furthermore, the findings showed that there is no significant relationship between strategy evaluation and productivity in the context of Nigeria plastic manufacturing sector. The study concludes that strategy formulation, strategy implementation, strategy evaluation makes a unique contribution to the variation of flour mills' level of performance to gain edge over rivals in the industry. Therefore, the study recommends that flour Mills Company's should implement formulated policies and strategies to match with the structure of the organization, increase value relevance and earnings quality for performance. Therefore, the study recommends that flour mills company' should implement formulated policies and strategies to match with the structure of the organization, increase value relevance and earnings quality for productivity.

Key Words: Strategic Management Process, Strategy Formulation, Strategy Implementation, Strategy Evaluation, Productivity.

Background of the study

Strategic management is a critical component of organizational success, as it enables firms to achieve their goals and objectives (Hill & Jones, 2019). In Nigeria, where businesses face numerous challenges, including economic uncertainty and intense competition, effective strategic management is essential for firm performance (Afolabi, 2020). Research has shown that strategic management practices, such as strategic planning, leadership, and innovation, have a significant impact on firm performance (Ojo, 2013; Adeleke, 2017). However, the Nigerian business environment is characterized by a lack of strategic planning, poor leadership, and limited innovation (Salami, 2020). This study aims to investigate the effect of strategic management on firm performance in Nigeria, using Potiskum Flour Mill as a case study. Strategic management is a vital aspect of organizational success, as it enables firms to achieve their goals and objectives (Hill & Jones, 2019). In Nigeria, strategic management practices are crucial for firm performance, given the country's challenging business environment (Afolabi, 2020).

Research has shown that strategic management practices, such as strategic planning, leadership, and innovation, have a significant impact on firm performance (Ojo, 2013; Adeleke, 2017). Nigeria's business environment is characterized the following aspect Economic uncertainty rises as result of fluctuation of currency, and other economic challenges in (Salami, 2020). Intense competition Adeleke(2017), suggested that intense competition on the market effect the strategic management planning and implementation because of the problems facing the Nigeria is not related to it. Problems in associated with credit facilities by companies in the main factors that make the strategy management which hinder the performance of organization (Ojo, 2013). Poor infrastructure facilities make the strategy plan and implementation difficulty (Afolabi, 2020)

.Despite these challenges, strategic management can help Nigerian firms achieve better performance (Hill & Jones, 2019). Studies have shown that: Strategic planning improves firm performance (Ojo, 2013) and effective leadership enhances firm performance (Adeleke, 2017) while Innovation drives firm growth and competitiveness (Salami, 2020)

However, Nigerian firms face challenges in implementing strategic management practices, including: Lack of strategic planning (Afolabi, 2020) Poor leadership (Adeleke, 2017) Limited innovation (Salami, 2020). This study aims to investigate the effect of strategic management on firm performance in Nigeria, using Yobe state Flour Mill as a case study.

Statement of the problems

Despite the importance of strategic management in achieving organizational success, many Nigerian firms struggle with implementing effective strategic management practices. This has resulted in poor firm performance. Low productivity is faced with the challenges of low income which hinder their ability to compete effectively in the global market. According to World Bank Nigeria productivity growth rate has been slow average only 0.5% per annual between 2010 and 2019(World Bank, 2020). This low productivity attribute to various factors include inadequate infrastructure, poor management practices and lack innovation.

Nigeria companies are experiencing a decline in market share and poor financial performance which leads to Nigeria stock exchanges many companies have experience in market share due increase competition and poor product quality and inadequate marketing strategies. Therefore, the specific problems this study aims to address are lack of strategic planning in Nigeria firm effective leadership and management practices, Limited innovation and entrepreneurship and Poor performance monitoring and evaluation

Objectives of the Study

To achieving these objectives, the study aims to contribute to the existing body of knowledge on strategic management and firm performance in Nigeria, and provide practical recommendations for improving firm performance in the Nigeria and special attention on Potiskum flour mill in Yobe state.

1. Examine the relationship between strategic management, planning and firm performance firm performance in Yobe state Flour Mill, Potiskum and Nigeria at large.
2. Investigate the impact of leadership and management process on the firm performance in Yobe state Flour Mill, Potiskum flour mills and Nigeria at large.
3. Determine the effect of strategic formulation and implementation on firm performance in Yobe state Flour Mill, Potiskum and Nigeria at large.
4. Evaluate the strategic management and firm performance monitoring, evaluation practices in Yobe state Flour Mill.
5. Provide recommendations for improving strategic management practices in Yobe state flour mills Potiskum Flour Mill and other Nigerian firms.

Conceptual framework

Strategic Management

Strategic management is defined as the determination of the basic long-term goals of the enterprises and the adaptation of courses of action and the allocation of resources necessary for carrying out these goals. Strategy management is the process and approach of specifying an organization's objectives, developing policies and plan to achieve and attain these is strategic choice stage is to do with formulation of possible courses of action, their evaluation and choice between them(Oyedijo & Akinlabi,2008). However, strategy management is an on-going process that evaluate and control the business and industries in which the firm's involves, assets then reassesses each strategy to meet charged circumstances, new technology, new competitor, each strategy to meet charged circumstances, new political environment(Muogbo, 2013).

The strategic planning in the process of defining organization's mission, vision and objectives and developing plan to achieved them.

Strategic Planning:

Strategic planning is the process of defining an organization's mission, vision, and objectives, and developing a plan to achieve them. It involves analyzing the organization's internal and external environment, identifying strengths, weaknesses, opportunities, and threats (SWOT analysis), and creating a roadmap for success (Hill & Jones, 2019). Leadership refers to the ability of an individual or group to inspire, motivate, and influence others to achieve a common goal or vision. Effective leaders possess skills such as communication, problem-solving, and decision-making, and are able to empower and develop their team members (Northouse, 2018). Management refers to the process of planning, organizing, leading, and controlling resources to achieve specific goals and objectives. It involves coordinating and directing the activities of individuals and teams to achieve efficiency, effectiveness, and productivity (Robbins & Coulter, 2018).

Innovation and entrepreneurship refer to the process of creating new or improve product, services, processes of business model that provide value to customer and drives growth (OECD, 2019). It involves experiment with new ideas, taking calculated risks and learning from failure (Doblin, 2019) and entrepreneurship is the process of design p (Salami, 2020) Performance Monitoring and Evaluation of strategic management process of tracking and assessing the progress and outcomes of an organization program or project toward achieving its goals and objectives and setting goals and establishing the ways data are collected in making adjustment and improvement

Strategy Formulation

Strategy formulation refers to the process through which a firm defines its overall long-term direction and scope. It involves establishing the way a company creates value through of its activities and resources in the markets in which it operates. Strategy formulation is a purposeful, deliberate exercise to develop a company's competitive advantage and thus enhance its performance (Gimbert, Bisbe,& Mendoza, 2010). The strategy formulation phase is

a strategy that aims at ensuring that organizations achieve their objectives. David (2005) stated that strategy formulation include deciding which business to pursue, how to allocate resources without aggressive takeovers and whether to enter international markets. He also added that strategy formulation phase comprises development of a mission statement, identification of external opportunities and threats, determination of internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing the best strategy to be implemented (Onwuchekwa, 2012). In order to accomplish the objectives which they have set, organizations formulate appropriate strategies which give rise to development of organization structure through which the set objectives will be achieved, hence in strategic management process; organizations choose appropriate organizational structure that matches the environment in which the organization operates as well as the productive activities of the organization this done by the strategist such that the organization is not taken by surprise, which could lead to some losses in investment caused by the new changes (Rose & Cray, 2010).

Strategy Implementation

The second phase of the process is strategy implementation which initiates activities in accordance to strategic plans (Sharplin, 1985). This requires firms to establish objectives, devise policies, motivate employees, and allocate resources to execute formulated strategies.

Certo and Peter (1991) stated that without the effective strategy implementation, organizations are unable to reap the benefits of performing an organizational analysis, establishing organizational direction, and formulating organizational strategy. Strategic implementation, concerns with the day-to-day activities of managing the strategy to achieve strategic goals of the organization. Thus, once plans are developed, they must be actively managed and implemented to maintain the momentum of the strategy. Strategic thinking and periodic planning should never stop; they become ingrained in the culture and philosophy of a strategically managed organization. As part of managing the strategy, strategic momentum: is the actual work to accomplish specific objectives, concerns decision-making processes and their consequences, provides the style and culture, fosters anticipation, innovation, and

Firm Performance

The effect management strategy in Nigeria is related to positively on planning and innovation has impact on firm competitiveness and sustainability Financial Performance (Return on Investment, Profitability) (Adeleke, 2017) on the strategy management effect on productivity of companies on issues related to the profitability and other Non-Financial Performance (Market Share, Customer Satisfaction) (Ojo, 2013). Productivity can lead to improved firm performances and the Efficiency serves a cost saving improvement and enhance competitiveness and sustainability (Salami, 2020) increase in the process of company formation has contribute to the firm performance in Nigeria companies (World Bank, 2020)

Relationship between Strategic Management and Firm Performance

Strategic Planning is the positive relayed to firm performances and practices such as innovation, differentiation and cost leadership can enhance firm performances and increases competitiveness and sustain growth. The relationship between strategic management and firm performances is moderated by such as organizational culture, leadership and environmental uncertainty (Peteraf, 1993).¹

Factors considered on the strategic management and firm performance are Nigerian Business Environment (Economic Uncertainty, Political Instability) (Afolabi, 2020) and industry Characteristics (Competition, Technology) (Salami, 2020) Firm Characteristics (Size, Age, Ownership Structure) (Ojo, 2013) Strategic management involves analyzing internal and external environments, setting goals, and implementing strategies to achieved firm Performance is a measure of efficiency, and it's influenced by various factors, including strategic management practices.

Theoretical Framework

Resource-Based view theory

This theory was use in this study since it concern with the inside out view or firm specific perspectives on why organization success or fail in the market place. The concept is focused on the difficult-to attributes of the firm as sources of superior performances and complete advantage (Adeleke, 2017) Therefore, the three element of the theory are tangible, in tangle resources and capabilities. The study of strategic management process and firm productivity was domiciled on Penrose's (1959) Resource Based theory. The resource based theory of the firm (RBT) draws focus to firms' internal environment as an enabler for competitive moves and accentuates the resources that organizations have established to compete in the business environment. The origins of the RBV was trace back to the work of Penrose (1959), who suggested that the resources possessed, deployed and used by the organization are really more important than industry structure. Since then researchers, such as Ansoff (1965) and Chandler (1962) have also made significant contributions towards the emergent and development of the resource based view of strategy (Hoskisson, Hitt, Wan & Yiu, 1999). Organizations that effectively leverage on strategically important resources and competencies will provide a firm with a potential competitive edge to outperform competitors and increase level performance in any industry

Methodology

The study uses a case study approach, focusing on Yobe state flour mills, Potiskum. Data is collected through interviews, observations, and document analysis. The study employed cross-sectional survey design which explanatory in nature because the data were collect a particular point in examined how strategic management effect firm performance in context to Nigeria particular Yobe state flour mill. The population for study was all flour mills in northern part of Nigeria as case study. The cluster sampling techniques is adopted and complemented with the sample random sampling techniques. The

reason for the choice is that the population of study and respondents selected from each state will represent its share of the entire population. For the company is given cluster to have equal chance of being selected.

Cluster sampling technique was used in the sample selection, such that the number of respondents selected from each state will represent its share of the entire population. For each company in a given cluster/ state to have equal chance of being selected, the simple random sampling technique was then introduced to arrive at a sample of Yobe state flour Mills Company. This is because in this sampling method, each member of the population has a known and equal probability of being chosen. It is a probabilistic sampling procedure. Primary data was collected through designed questionnaire to be distributed to the firms listed in the 2020 edition of the directory of Nigerian manufacturer Association based in Northern part of Nigeria.

The research instrument was subject to content and face validity. However, Cronbach Alpha index was used for estimating the reliability of the questionnaire. Favorable reliable scores were obtained from all the items since all the values were above the 0.7 exceeding the threshold of Cronbach Alpha value recommended by (Nunnally, 1970) as showed in the table below:

Table 1 Reliability Results

Measures Variables	Alpha Coefficients.
Strategy Formulation	0.970
Strategy Implementation	0.960
Strategy Evaluation	0.971
Performance	0.956

Survey, 2025

The analytical techniques employed were correlation and Multiple Regression Statistics to determine the strength and direction of the relationship and test the hypotheses with the help of IBM data editor of Statistical Package for the Social Sciences (SPSS 23.0).

Data Analysis and Result

Analysis of Research Questions: the analysis was carried out using Spearman's rank order correlation coefficients statistical techniques with the help of statistical package for social science (SPSS version, 23) at a 95% confidence interval to analyze the research questions.

Table 2: Correlation Matrix Analysis for Strategy Formulation, Strategy Implementation, Strategy Evaluation and firm performance

	Firm Performance
Strategy Formulation	0.958**
Strategy Implementation	0.952**
Strategy Evaluation	0.964**
** Correlation is significant at the 0.01 level (2-tailed).	

Survey, 2025

Table 2 showed the relationship between strategy formulation, strategy implementation, strategy evaluation and firm performance. The result showed that strategy formulation, strategy implementation, strategy evaluation has a very strong positive relationship with firm performance ($\rho = 0.958$; $\rho = 0.952$; $\rho = 0.964$). This finding provides a solution to research question 1,2,3 and represents high correlation indicating dependable relationship between the both variables of the study.

Table 3: Model 1: Showed the Effect of Strategic Management Process (Strategy Formulation, Strategy Implementation, Strategy Evaluation) on performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.980a	.960	.959	.62126
Predictors: (Constant), strategy evaluation, strategy implementation, strategy formulation				

Survey, 2025

Model 1, from table 3 above showed the result of regression analysis (R-value 0.980) between the criterion variable (productivity) and the predictor variable strategic management process (strategy formulation, strategy implementation, strategy evaluation) that taken together. The (R-value =0.980) indicates that the strategic management process has a strong influence on productivity. The coefficient of determination (R²-value .960) implies that both predictor variables explain 96% variance on performance.

Table 4: Multiple Regression Analysis Showing Strategic Management Process (Strategy Formulation, Strategy Implementation, Strategy Evaluation) and Performance

Model B	Coefficients (Beta)	Standard error	t-value	p-value
Constant	.304	.587	1.928	.055
strategy formulation	.459	.075	6.078	.000
strategy implementation	.481	.078	6.156	.000
strategy evaluation	.008	.054	.147	.883

Survey, 2025

Decision Rule: if the P-value calculated is less than the critical level of significance, the study reject the null hypothesis and accepts the alternate. Otherwise the study rejects the alternate hypothesis and accepts the null of no significant relationship in the study.

Ho1: There is no significant relationship between strategy formulation and firm performance, Nigeria

Table 4 above indicates the result of regression coefficient for strategy formulation and productivity with a (t-cal. =6.078) and significant level of (P=0.000<0.05%). The (P=0.000<0.05%). Showed that there is a significant relationship between strategy formulation and productivity. Thus, the alternate hypothesis is hereby accepted. Similarly strategy formulation as a predict to variable makes ($\beta=0.459$) contributes to the variation of the criterion variable (performance)

Ho2: There is no significant relationship between strategy implementation a firm performance in Yobe state flour mills company, Nigeria.

Table 4 above indicates the result of regression coefficient for strategy implementation and firm performance with a (t-cal. =6.156) and significant level of (P=0.000<0.05%). The (P=0.000<0.05%). Showed that there is a significant relationship between strategy implementation and performance. .Thus, the alternate hypothesis is hereby accepted. Similarly strategy implementation as a predictor variable makes ($\beta=0.481$) contributes to the variation of the criterion variable (productivity) in the Yobe state flour mill company, Nigeria.

Ho3: There is no significant relationship between strategy evaluation and productivity in the flour mills companies in Northern, Nigeria.

Table 4 above indicates the result of regression coefficient for strategy formulation and productivity with (P=0.883>0.05%) showed that there is no significant relationship between strategy evaluation and productivity. Thus, the alternate hypothesis is hereby rejected. Similarly, strategy evaluation as a predictor variable makes ($\beta=0.008$) little contributes to the variation of the criterion variable (performance) in flour mills companies. The findings of the study showed that strategy formulation, strategy implementation has a significant relationship with staff performance in the flour mill firms in Nigeria.

Discussion of the finding

The findings in line with the conclusions of Askarany and Yazdifar (2012) finding suggest a significant association between the diffusion of these relatively new strategic management tools and organizational performance. In the same direction, Zhang (2009) found that both the formulation and implementation processes through their influence on type of information needed, the source of information and the interplay among difference pieces of information are positively correlated to innovation performance of organizations. The findings reinforce previous studies like Ogunmokun (2005) who found that the extent to which these private hospitals carry out their strategic implementation activities are related to the level of their organizational performance .Also Ibrahim & Mohamed (2012) results of the research work shows that there was a significant relationship between strategy implementation and performance of the manufacturing firms. The third hypothesis showed that strategy evaluation has no relationship with productivity. This finding collaborates with Muogbo (2013) who found out that strategic management was not yet a common business practice among manufacturing firms in Yobe State. The findings contradict with Wanjiru (2016) results showed that strategy evaluation has a significant influence on the performance of Sarova town hotels. Similarly, Maroa and Muturi (2015) observed that most floricultural firms evaluated their strategy and strategy evaluation had a significant influence on the performance of flower firms. Also, the findings of Kumar (2015) argue that strategy evaluation is a systematic and rational process that influences the performances of mobile telecommunication firms in Nigeria

Conclusion

In the light of the foregoing, this study provides empirical support on dimension of strategic management process and their influence on productivity in the flour mills sector. The unique contribution to the variation of flour mills companies level of performance to gain edge over rivals in the industry.

Recommendations

The study recommended that for the flour mills companies to add value to their performance and services and the other stakeholders, they should pursue a convincing formulation of policies, mission and strategic plan on how the vendors will achieve greater price levels, and employees to achieve high wage levels, customers to achieve high service levels to improve performance. It recommends that flour mills company should implement formulated policies and strategies to match with the structure of organization, increase value relevance and earnings quality for performance. The study recommends that flour mills company's should consider strategy evaluation as a continuous process in order to know the level of acceptability of strategies by the stakeholder, to know if the strategies are consistency with internal policies and also to know if the strategies are consonance with external changes that occur in the business arena. Study concluded that strategy formulation, strategy implementation, strategy evaluation makes a Results.

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