

An Empirical Investigation on Strategic Management Practices and Their Impact on Organizational Performance

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Abstract: In a fast-moving and increasingly competitive business environment, strategic management practices have become crucial for an enterprise to ensure that the performance is sustainable and will help it to achieve its goal of long-term success. The key dimensions of strategic management include strategic planning, strategic implementation, and strategic evaluation, and empirical examination of their impact on organizational performance are performed in this study. This study used a quantitative research design. Data were collected from 200 respondents across various sectors through the use of a structured questionnaire based on a five-point Likert scale. Descriptive statistics and regression analysis were conducted to analyze the data and test the hypotheses developed. The results showed that strategic management practices were adopted at moderate to high levels among organizations sampled and further possess a positive and statistically significant effect on the performance of such an organization. Thus, based on the obtained results of the regression, with strategic management practices explaining a great proportion of variance in organizational performance, there was a rejection of the null hypothesis and consequent support for the alternative hypothesis. This study summarized that systematic adoption with effective execution of strategic management practices brings about marked improvement in organizational effectiveness, efficiency, and competitive positioning. This paper adds to the existing management literature with regard to empirical evidence of how strategic management practices can lead to enhancement of organizational performance and also offers practical implications for managers in pursuit of strengthening the strategic decision-making processes.

Keywords: *Strategic Management Practices, Organizational Performance, Strategic Planning, Competitive Advantage, Regression Analysis*

INTRODUCTION

In response to global competition, corporations have sought to implement strategic tactics to endure and maintain stability in the marketplace. The strategic practices stem from managers' insights to discern the forces that drive change, enabling them to recognize opportunities within the corporate environment (Ramadan & Safavi, 2022). The primary objective of managers is to get optimal results with minimal effort and investment. These objectives can only be achieved if optimal strategies are selected, hence securing a competitive edge. Strategic thinking and strategic management are regarded as the main activities of every firm (Dahir & Nyang'au, 2019). The manner in which these actions are executed can elucidate long-term success or failure. Most managers are keen to formulate and execute the optimal plan that can maintain enhanced performance levels for their firms. The primary objective of the strategic management process is to evaluate both the internal and external environments of firms and to provide solutions for enhancing their financial performance (Samad et al., 2018).

Strategic management practices have assumed an important role in helping businesses achieve long-run success by making strategic efforts to align with both opportunities and threats in the environment (Lucas, 2010). With an increasingly intensive and dynamic business environment, companies have had to resort to systematic strategic planning, strategic implementation, and strategic evaluation in order to make sustained efforts towards organizational performance and competitive superiority (Kabeyi, 2019). Through strategic management, companies can make systematic efforts in setting organizational objectives, making efficient strategic resource allocation, and making proactive strategic responses to different organizational environments, including technological developments and different organizational expectations. Companies making systematic strategic efforts have an increased prospect in making enhanced organizational

performance (Fuertes et al., 2020).

For example, firms such as Apple Inc. have always remained a major force in the marketplace with their outstanding performance in strategic innovations, market positioning, and organizational vision, thus maintaining a leading edge in a competitive technology industry (Bereznoy, 2019). A case in point is also Tata Groups in India, where strategic diversification and expansion programs have allowed them to establish a presence in diversified sectors with a sustained performance record (Anjum, 2022). Yet another example is Amazon.com, where a customer-driven approach with data-driven decisions and strategic investments in technology and logistics have allowed them to achieve a marked level in organizational efficiency and dominance in their respective market (Vidani, 2024). Therefore, the study aimed to examine the impact of strategic management practices on organizational performance. It also sought to assess how effective adoption of these practices contributes to improved organizational outcomes.

Objective of the Study

To empirically examine the impact of strategic management practices on organizational performance.

REVIEW OF LITERATURE

The literature review offered a broad scan of literature concerning existing studies on strategic management practices and their impact on organizational performance. Extensive research on strategic management from different theoretical approaches such as theory of resources and classical management theory in achieving organizational competitive advantage has already been undertaken. Through a scan of literature covering a broad platform based on empirical studies in different industries and regions, a strong theoretical basis concerning the significance of strategic management in achieving organizational effectiveness has emerged.

Olanipekun et al., 2015 investigated the influence of strategic management on competitive advantage and organizational performance, utilizing resource-based theory as its theoretical framework. This theory elucidates how the uniqueness of an organization's resources and capabilities accounts for its competitive advantage and superior performance, which are pivotal in strategy formulation. The findings demonstrated that the adoption and execution of strategic management techniques enable the business to be proactive to changes and to create positive changes, hence resulting in competitive advantage and sustainable performance.

Strategic management began in military contexts and has been adopted in the corporate sector as a crucial management technique in response to an unpredictable, tumultuous, and chaotic environment (Meresa, 2019). Strategic management enables the identification of future development trajectories for the organization, accompanied by a precise formulation of strategic and tactical objectives. The primary objective of the study is to examine the influence of strategic management practices on the company's performance.

Phina, 2020 examined the impact of strategic management on organizational performance, specifically focusing on select industrial enterprises in South-East Nigeria. The research is based on classical theory and resource-based theory. The study revealed that strategic management significantly affects organizational performance in South East Nigeria.

Odhiambo and Njuguna (2021) sought to investigate the impact of strategic management strategies on the performance of health NGOs in Nairobi City, Kenya. The research primarily investigated the impact of strategic planning, environmental scanning, strategy creation, strategy execution, and strategy evaluation and monitoring on the performance of health non-governmental organizations in Nairobi County, Kenya. The study results indicated a positive and significant association among strategic planning, environmental scanning, strategy formulation, strategy implementation, strategy evaluation and monitoring, and the performance of health non-governmental organizations.

Strategic management is a renowned subject extensively utilized for research within the academic community. It was contended that strategic management may promote a more goal-oriented organization. The study's findings indicated that strategic management methods favorably influence organizational endeavors to attain excellence (Al Humeisat, 2022).

The studies reviewed have consistently shown a positive and significant relationship between strategic management practices and organizational performance. Based on the research conducted, it can be observed that strategic management practices such as strategic planning, scanning, formulating, implementation, and evaluation can influence organizational performance. Although a wide body of research work has been conducted in this area, the differences in contexts, sectors, and implementation methodologies have become important considerations in this case. As such, this research aims to bridge this gap and support strategic considerations in systematic management practices from an empirical perspective.

Hypothesis of Study

H0: There is no significant impact of strategic management practices on organizational performance.

H1: Strategic management practices have a significant impact on organizational performance.

RESEARCH METHODOLOGY

Quantitative research design was adopted for the study to empirically investigate the influence of strategic management practices on organizational performance. The approach was considered appropriate because it allowed the measurement of objective issues, systematic collection of data, and testing the hypothesized relationship between the study variables statistically. Quantitative research had the ability to let the study generate numerical data that could then be analyzed statistically to ensure that such findings were valid and reliable. With this approach, the study sought to provide empirical evidence of how strategic management practices at organizations influence organizational outcomes in diverse organizational contexts.

Data were collected from a sample of 200 respondents representing multiple organizations across different sectors. The primary data collection instrument was a structured questionnaire to ensure uniformity and consistency in responses. In addition, this approach helped reduce biases that may emanate from subjective interpretation of questions. Respondents were selected using an appropriate sampling technique to ensure that they are representative and enhance the generalization of the study findings. The sampling approach allowed for organizational diversity to capture comprehensive perspectives on strategic management practices in different settings.

Items on the questionnaire were developed using a five-point Likert scale, anchored from strongly disagree to strongly agree, to capture the intensity of strategic management practices and organizational performance. These items were adapted from prior literature and established scales to ensure that the content validity and reliability were acceptable. The data collected was first checked thoroughly for completeness, then systematically coded and organized before analysis to ensure accuracy. This process of preparing the data was necessary to ensure its integrity and the dependability of subsequent statistical analyses.

Coded responses from the participants were fed into statistical software to analyze data. First, descriptive statistics (mean and standard deviation) were calculated to provide an overview of the trends in the data. Further, regression analyses were performed to test the hypotheses that were advanced and the effect that strategic management practices have on organizational performance. This analytical approach allowed the study to quantify the relationship between the variables, assess the significance of the findings, and provide empirical support for the study's objectives. With this methodology, the study was well-positioned to present robust insights regarding the role of strategic management practices in driving organizational success.

RESULTS

Descriptive Statistics

Descriptive statistics showed that strategic management practices were adopted at a moderate to high level in the sampled organizations.

Tab 1. Descriptive Statistics.

Variable	N	Mean	Standard Deviation	Minimum	Maximum
Strategic Management Practices	200	3.78	0.62	2.10	4.90
Organizational Performance	200	3.65	0.58	2.00	4.85

All variables were measured using a five-point Likert scale, where higher mean values indicate stronger agreement with the respective statements. The descriptive statistics suggest a relatively high level of strategic management practice adoption and a favourable level of organizational performance among the sampled organizations.

Regression Analysis

Dependent Variable: Organizational Performance

Tab 2. Results of Regression Analysis.

Predictor Variable	Standardized Beta (β)	Std. Error	t-value	p-value
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Strategic Management Practices	0.48	0.07	6.85	0.000**
Constant	-	0.32	4.12	0.000**

Tab 3. Model Summary.

Statistic	Value
R	0.57
R ²	0.32
Adjusted R ²	0.31
F-value	46.92
Sig. (F)	0.000**

** Significant at 1% level ($p < 0.01$)

This table demonstrates a statistically significant positive impact of strategic management practices on organizational performance, leading to the rejection of the null hypothesis and acceptance of the alternative hypothesis.

Regression analysis was used to conduct the inferential analysis of the influence of strategic management practices on organizational performance. The findings indicated that strategic management practices were positively and significantly related to organizational performance, $\beta = 0.48$, $p < 0.01$. The model accounted for a reasonable proportion of variance in organizational performance, $R^2 = 0.32$, thus strategic management practices were meaningfully contributing to performance outcomes.

Tab 4. Results of Hypothesis Testing.

Objective of the Study	Hypothesis	Result
To empirically examine the impact of strategic management practices on organizational performance	H0: There is no significant impact of strategic management practices on organizational performance.	Rejected
	H1: Strategic management practices have a significant impact on organizational performance.	Accepted

The rejection of the null hypothesis was based on the findings, and therefore, acceptance of the alternative hypothesis, H₁, was confirmed that strategic management practices significantly influence organizational performance, hence supporting the objective of the study.

DISCUSSION

The findings clearly proved that strategic management practices significantly influenced the improvement of organizational performance. The descriptive statistics showed that strategic management practices were adopted at a moderate to high level in the organizations sampled, as evidenced by the favourable mean scores for strategic management practices and organizational performance. The relatively low standard deviations further suggested that there was consistency in respondents' perceptions and implied a shared understanding of strategic initiatives across organizations. The regression analysis thus produced strong empirical evidence to support the hypothesized relationship between strategic management practices and organizational performance, with a positive and statistically significant influence of the former on the latter. The standardized beta value also supported the observation that enhanced strategic planning, implementation, and evaluation were positively linked to higher magnitudes of organizational effectiveness and efficiency. Furthermore, the model's R^2 demonstrated that strategic management practices accounted for a significant portion of variation in organizational performance, and thus its practical significance could not be overlooked. In light of the null hypothesis being rejected and the alternative hypothesis accepted, it becomes further reinforced that an organization which systematically adopts and implements strategic management practices is the one that can hope to realize better performance outcomes.

Overall, the findings concurred with the existing management literature and emphasized how strategic management acts as the key driver for sustained organizational success.

CONCLUSION

The study therefore established conclusively that strategic management practices are significantly instrumental in leading to better organizational performance. The empirical results showed that organizations with structured strategic planning, effective strategy implementation, and continuous evaluation mechanisms realized higher performance compared to organizations with weaker strategic orientations. This positive and statistically significant relationship confirmed that strategic initiatives are a very important driver of organizational effectiveness, efficiency, and competitiveness in dynamic business environments. In addition, the results highlighted that strategic management practices reflected a significant portion of the variance in organizational performance and, therefore, were of practical importance for managerial decision-making. The null hypothesis rejected and the alternative hypothesis accepted further supported that systematic and proactive strategic approaches should be used to achieve continuous organizational success. Overall, the study provided useful empirical evidence for management literature and emphasized the need for organizations to enhance strategic management capabilities for better improvement in performance and long-term competitive advantage.

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