

## **Strategic Management Practices and Competitive Advantage of Small and Medium-Sized Enterprises in Osun State, Nigeria**

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### **Abstract**

The aim of this study is to investigate the effect of strategic management practices on competitive advantage of small and medium size enterprise in Osun State. Tthe study examine the effect of environmental scanning on competitive advantage of small and medium size enterprise in Osun State; examine the effect of strategy formulation on competitive advantage of small and medium size enterprise in Osun State; examine the effect of strategy implementation on competitive advantage of small and medium size enterprise in Osun State. This research adopted the survey research design. The population of the study comprised of all 2,273 registered Small and Medium Enterprises (SMEs) owners in Osun State, Nigeria (SMEDAN, 2022). Convenient sampling procedure was adopted to sample 155 SMEs. A total of 149 participants responded and completed the survey giving a response rate of 96.1%. The use of strategic management practices by SMEs has the potential of enhancing their competitive advantage. The result of this study showed that that strategic management practices has a positive and significant effect on competitive advantage of Small and Medium Size Enterprise in Osun State, Nigeria. Therefore, the study concluded that strategic management practices significantly impact competitive advantage of Small and Medium Size Enterprise in Osun State, Nigeria.

### **Introduction**

Today's global competitive climate has compelled SMEs in both developed and emerging economies to act strategically. This is mainly because strategy is a powerful management tool that allows SMEs to become more powerful, competitive and successful. In reality, small-scale enterprise is the real fabric of both emerging and developed countries' economic progress (Ogunyemi, 2020). Further, SMEs also could be acknowledged as the country's lifeblood and driving force towards economic growth and sustainability (Oluremi & Maku, 2024). From the standpoint of globalization, researchers explored the significance of SMEs in development and their contribution in terms of GDP growth, poverty alleviation and rural development, enhancing employment prospects, impartial distribution of scarce resources, embarking on innovation, income distribution stabilization, regional development, an increase in domestic savings, the contribution of export earnings and fostering entrepreneurship.

In developed countries, SMEs account for more than 99% of all businesses. For Instance: the USA, European countries, and Japan. Thus, they provide almost two-thirds of employment prospects to the private sector (Fatoki, 2019). In contrast, SMEs in emerging nations provide more than half of

the gross domestic product (GDP) and account for nearly 70% of total employment (World Bank, 2021). In Nigeria, and specifically in Osun State, SMEs constitute a significant proportion of business activities and are considered the backbone of the economy. They contribute to employment generation, income redistribution, poverty alleviation, innovation, and the overall development of local communities. However, despite their importance, many SMEs in Nigeria struggle with sustainability and growth, largely due to the absence or ineffective application of strategic management practices.

Strategic management refers to the formulation and implementation of the major goals and initiatives taken by an organization's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes. For SMEs, strategic management is not merely a luxury or a theoretical exercise it is a necessity for survival in an increasingly competitive and globalized business environment. Strategic planning, resource allocation, performance evaluation, and risk management are vital components that determine whether SMEs can maintain a competitive advantage and thrive in their industries (Alharbi, 2024).

In Osun State, SMEs face a unique set of challenges including poor infrastructure, limited access to finance, regulatory bottlenecks, and insufficient managerial capabilities. These obstacles hinder their ability to engage in long-term planning and adopt strategic management practices that would enable them to respond effectively to market demands and competition. Furthermore, the relatively small scale of operations and limited market reach of these enterprises make it imperative for them to find innovative and strategic ways to compete not just with larger organizations, but also with other SMEs (Gumel, 2024). However, several studies have emphasized the positive correlation between strategic management practices and firm competitive advantage. However, there is a paucity of research focusing specifically on how these practices influence the competitive advantage of SMEs in less industrialized and resource-constrained regions like Osun State. Competitive advantage in this context refers to the attributes that allow an SME to outperform its rivals be it through cost leadership, differentiation, innovation, customer service, or efficient operations. Gaining a sustainable competitive advantage requires a firm to align its internal processes with the demands of its external environment, which is the essence of strategic management (Oko, 2024).

To improve the Competitive advantage of SMEs, the Nigerian government, through various policies and initiatives, has recognized the importance of SMEs and sought to provide support in the form of funding, training, and infrastructural development. However, the impact of these interventions is often limited by the strategic capabilities of the businesses themselves. Without a strategic mindset and the necessary managerial tools, many SMEs are unable to fully leverage the opportunities available to them. This is especially true in Osun State, where many entrepreneurs operate in semi-urban or rural areas and have limited access to business development services (Alabi, David & Aderinto, 2019).

Additionally, globalization and technological advancement have intensified competition across all sectors. SMEs in Osun State are now required to compete not only locally but also with firms that may have access to better technology, financing, and skilled labor. To remain relevant, these businesses must adopt strategic management practices that are tailored to their unique circumstances. This includes conducting regular SWOT (Strengths, Weaknesses, Opportunities,

and Threats) analyses, setting long-term goals, formulating competitive strategies, and continuously adapting to market changes (Ibrahim et al., 2024).

Despite these provisions, many SMEs in Osun State rely on informal or reactive approaches to decision-making. While such approaches may provide short-term relief, they often fail to establish a solid foundation for long-term competitiveness. This reactive posture is typically the result of limited exposure to strategic planning frameworks and tools, as well as a lack of professional management skills. As a result, many of these enterprises struggle to scale their operations, enter new markets, or withstand economic shocks. This raises critical questions about the extent to which strategic management practices are being utilized, and more importantly, their effectiveness in delivering competitive advantage within the local context. This study therefore investigates the effect of strategic management practices on competitive advantage of small and medium size enterprise in Osun State, Nigeria.

### **Objective of the Study**

The main aim of this study is to investigate the effect of strategic management practices on competitive advantage of small and medium size enterprise in Osun State. The specific objectives of the study are to:

1. Examine the effect of environmental scanning on competitive advantage of small and medium size enterprise in Osun State
2. Examine the effect of strategy formulation on competitive advantage of small and medium size enterprise in Osun State
3. Examine the effect of strategy implementation on competitive advantage of small and medium size enterprise in Osun State

### **Research Questions**

This study will answer the following research questions:

1. What is the effect of environmental scanning on competitive advantage of small and medium size enterprise in Osun State?
2. What is the effect of strategy formulation on competitive advantage of small and medium size enterprise in Osun State?
3. What is the effect of strategy implementation on competitive advantage of small and medium size enterprise in Osun State?

### **Research Hypotheses**

The following hypotheses were tested at a 0.05 significance level for the study.

1. Environmental scanning has no significant effect on competitive advantage of small and medium size enterprise in Osun State.
2. Strategy formulation has no significant effect on competitive advantage of small and medium size enterprise in Osun State.
3. Strategy implementation has no significant effect on competitive advantage of small and medium size enterprise in Osun State.

### **Significance of the Study**

Strategic management practices are essential for the sustained growth and competitiveness of small and medium-sized enterprises (SMEs). These practices involve setting long-term goals, analyzing internal and external environments, and aligning organizational resources to adapt and respond to market dynamics effectively. For SMEs, which often operate with limited resources, strategic

management enables more efficient allocation of capital, labor, and technology. By carefully crafting and executing strategies, SMEs can differentiate themselves from competitors through innovation, customer service, or niche market focus. Moreover, strategic management helps SMEs anticipate market trends, identify potential risks, and exploit emerging opportunities, which is crucial for maintaining a competitive edge in rapidly evolving industries. It fosters a proactive mindset, allowing businesses to be agile and responsive rather than reactive. This agility often serves as a key advantage over larger, more bureaucratic firms. Ultimately, strategic management empowers SMEs to build resilience, enhance decision-making, and achieve sustainable competitive advantage through continuous improvement and strategic alignment with customer needs and market conditions.

### **Conceptual Review**

#### **Competitive Advantage of SMEs**

A Dictionary of Economics by Oxford University Press defines competitive advantage as advantage a company possesses over its competitors. There are numerous sources of competitive advantage, including more efficient production techniques, brand image, consumer loyalty, and location. Competitive advantage refers to the unique attributes or capabilities that allow a company to outperform its rivals in the marketplace. It is what gives a business the edge to attract more customers, achieve superior margins, and maintain a dominant position over time. The concept was popularized by Michael Porter, a leading economist and professor at Harvard Business School, who identified three primary strategies for gaining a competitive advantage: cost leadership, differentiation, and focus (Stonehouse & Snowden, 2007).

Cost leadership involves becoming the lowest-cost producer in the industry, enabling the company to offer lower prices to consumers or maintain higher profit margins. This strategy often relies on economies of scale, efficient production processes, and tight cost control. Companies like Walmart and McDonald's are prime examples of businesses that have succeeded using this approach (Gerard & Bruijl, 2019). Differentiation, on the other hand, focuses on offering products or services that are perceived as unique or superior in some significant way. This could be through innovation, quality, branding, or customer service. Brands like Apple and Nike have built strong competitive advantages by consistently delivering products that are not only distinct but also resonate deeply with consumer preferences. The focus strategy involves targeting a specific market niche. Within that niche, a company can pursue either cost leadership or differentiation. By tailoring their offerings to the needs of a particular group, businesses can serve customers more effectively than competitors who try to reach a broader audience (Ouma & Oloko, 2017).

Sustainable competitive advantage goes beyond short-term gains. It requires assets or capabilities that are valuable, rare, difficult to imitate, and well-organized within the firm. This might include proprietary technology, brand loyalty, skilled workforce, or exclusive partnerships. In a rapidly evolving global market, companies must continuously innovate and adapt to protect and renew their competitive edge. In essence, competitive advantage is at the core of strategic decision-making, influencing everything from pricing and marketing to product development and organizational structure. It is the key driver of long-term success and value creation in business (Mohamed & Başar, 2023).

SMEs hold a unique and significant position in the global economy. Despite limited resources compared to large corporations, SMEs often enjoy distinct competitive advantages that enable them to thrive in dynamic markets. One of the key strengths of SMEs is their agility and flexibility.

Unlike larger firms burdened by complex hierarchies and rigid structures, SMEs can swiftly adapt to market changes, respond to customer feedback, and innovate with fewer bureaucratic constraints. This responsiveness allows them to capitalize on emerging trends and fill niche market gaps that larger competitors may overlook (Keelson et al., 2024). Another crucial advantage lies in the strong customer relationships SMEs tend to foster. Operating on a smaller scale often allows business owners and managers to maintain direct communication with customers, building trust, loyalty, and personalized service. This closeness enables SMEs to better understand consumer needs and tailor their products or services accordingly, creating a more customer-centric business model (Saleh & Saheli, 2018).

Moreover, SMEs benefit from local market knowledge and community involvement. Their deep-rooted presence in local communities often translates into a stronger reputation and support network, helping to build goodwill and attract repeat business. This localized understanding also equips SMEs with insights that allow them to fine-tune their offerings more effectively than global corporations with generalized approaches (Rumasukun & Noch, 2023). In addition, entrepreneurial drive and innovation are hallmarks of successful SMEs. Many are founded by passionate individuals driven by a vision or idea. This spirit fosters a culture of innovation, risk-taking, and continuous improvement, often leading to the development of unique products, services, or business models (Asenge, Diaka & Soom, 2018). Finally, SMEs can leverage cost advantages through lean operations and efficient resource management. With lower overheads and simpler supply chains, they are often more cost-effective and can offer competitive pricing without sacrificing quality. SMEs derive their competitive advantage from their agility, customer intimacy, local knowledge, innovative mindset, and operational efficiency. These attributes make them not only resilient but also powerful contributors to economic development and innovation across various industries.

### **Strategic Management Practices**

Strategic management practices are the systematic approaches and processes used by organizations to formulate, implement, and evaluate decisions that enable them to achieve long-term objectives and maintain a competitive advantage. These practices are essential for navigating an increasingly complex and dynamic business environment. At its core, strategic management involves setting goals, analyzing the internal and external environments, developing strategies, and aligning resources and operations to achieve desired outcomes (Itohan, John-Igbiele & Olayinka, 2024). Strategic management practice is the process of formulating, implementing, and evaluating cross-functional decisions that help an organization achieve its objectives. It's essentially the art and science of aligning organizational efforts to achieve long-term goals. David emphasizes the structured and integrative approach in managing organizational direction and achieving long-term goals. Itohan, John-Igbiele and Olayinka (2024) defined strategic management involves the analysis, decisions, and actions an organization undertakes to create and sustain competitive advantages. This definition highlights the dynamic and competitive nature of strategic management in business environments.

One of the components of strategic management is environmental scanning, which involves defining the organization's mission, vision, and values, and setting measurable objectives. This planning is supported by tools such as SWOT analysis (identifying strengths, weaknesses, opportunities, and threats), PESTEL analysis (examining political, economic, social, technological, environmental, and legal factors), and Porter's Five Forces model, which evaluates industry competitiveness. These tools help organizations understand their position in the market

and make informed strategic decisions. Another critical aspect is strategy implementation, which focuses on putting the formulated strategies into action. This includes resource allocation, developing organizational structure, and ensuring effective leadership and communication. For implementation to be successful there must be alignment between the strategic plan and day-to-day operations, as well as employee engagement and adaptability. Finally, strategy evaluation and control allow organizations to measure performance, review outcomes, and make necessary adjustments. This ongoing process ensures that the organization remains responsive to internal and external changes, and continues progressing toward its goals. Strategic management practices are essential for sustainable success. They provide a framework that enables organizations to proactively address challenges, exploit opportunities, and continuously improve performance in a competitive global marketplace for SMEs (Kabeyi, 2019).

### **Theoretical Framework**

The theory that is relevant and guided by this study is Resource-Based View (RBV) theory: Resource-Based View (RBV). The theory grew largely out of Penrose's (1959) study, in which she cites unused managerial resources as the primary driver of growth. Penrose recognized that internal managerial resources are both drivers and limits to the expansion any one firm can undertake (Penrose, 2009). The RBV suggests that firm performance is influenced by the unique resources and capabilities that a firm possesses. According to this theory, SMEs with valuable, rare, inimitable, and non-substitutable resources are more likely to outperform their competitors. The Resource-Based View (RBV) theory is a strategic management framework that focuses on the internal resources and capabilities of a firm as sources of competitive advantage. Any tangible or intangible item that a corporation owns, controls, or has access to and that can be utilized to develop and carry out strategies is considered a resource, according to the RBV theory. Physical assets, like manufacturing facilities or equipment, intangible assets, like patents or trademarks, human capital, like knowledgeable staff members, and organizational capabilities, like effective procedures or solid client relationships, are examples of resources (Raduan et al., 2009).

According to the RBV theory, businesses should concentrate on enhancing and utilizing their special assets and skills in order to generate value and gain a competitive edge. By identifying and leveraging strategic resources, firms can differentiate themselves from competitors and create barriers to entry. It's important to note that the RBV theory is just one perspective on strategic management and competitive advantage. Other theories, such as Porter's Five Forces or the Dynamic Capabilities approach, offer alternative frameworks for understanding and analyzing competitive advantage (Chumphong, Srimai & Potipiroon, 2020). In the context of SMEs, RBV emphasizes the importance of identifying and leveraging key resources and capabilities to achieve sustainable competitive advantage. RBV encourages SMEs to identify their unique and valuable resources, which can include tangible assets such as technology, equipment, and facilities, as well as intangible assets like brand reputation, customer relationships, and knowledge capital.

Understanding their resource strengths, SMEs can focus on building and exploiting these advantages. RBV suggests that SMEs can achieve a competitive advantage by possessing resources that are rare or difficult to imitate by competitors. This perspective is particularly relevant to SMEs, as they often operate in niche markets or have specialized knowledge or capabilities that larger firms may not possess. For SMEs, this can involve leveraging their limited resources by forming strategic alliances, partnerships, or networks with other firms to access complementary resources. By effectively bundling resources, SMEs can enhance their

competitiveness and performance. RBV provides a framework for evaluating SME performance based on the effectiveness and efficiency of resource utilization. By aligning their resource allocation and management strategies with their performance goals, SMEs can improve their overall performance. Finally, the RBV theory offers valuable insights into how SMEs can leverage their unique resources and capabilities to achieve a competitive advantage and enhance their performance in a dynamic business environment.

The RBV theory was primarily developed based on the analysis of large, established organizations, and its applicability to the unique characteristics and challenges faced by SMEs has been questioned (Kraaijenbrink, Spender & Groen, 2010). SMEs may face more significant barriers in acquiring, developing, and deploying the necessary resources to gain a sustained competitive advantage compared to larger firms. The RBV theory assumes that firms can actively manipulate and reconfigure their resources, but SMEs may have limited flexibility and resources to do so. The RBV theory assumes that resources are heterogeneous and immobile across firms, which may not always be the case, especially in dynamic and rapidly changing environments. SMEs often operate in highly competitive and turbulent markets, where the value of resources can change quickly, and the RBV theory may not adequately capture the dynamic nature of resource requirements.

The RBV theory emphasizes the importance of organizational capabilities in developing and deploying resources, but SMEs may have limited organizational capabilities due to their size and resource constraints. SMEs often rely on the skills and expertise of a few key individuals, which can create vulnerabilities and make it challenging to develop and maintain organizational-level capabilities. The RBV theory has been criticized for its lack of emphasis on the role of external environmental factors in shaping a firm's competitive advantage. SMEs are often more vulnerable to changes in the external environment, such as economic conditions, government regulations, and technological advancements, which may not be adequately addressed by the RBV theory. Additionally, there is a need for more empirical research to investigate the applicability and limitations of the RBV theory in the context of SMEs.

### **Empirical Review**

Using a sample of SMEs in the Osun States of Nigeria, Akinrinlola, Aribaba, and Ahmodu (2022) investigated the impact of strategic management strategies on entrepreneurial orientation. A survey research design was the one that was employed. Using basic and stratified random sampling techniques, 400 SMEs were chosen from Osun State, which has 2273 SMEs registered with SMEDAN as part of the research population. A questionnaire was employed as the research tool. Crombach reliability data were used to validate this instrument and found that its reliability coefficient value was 0.7. The degree of association between strategic management practices and entrepreneurial attitude among SMEs in Osun State, Nigeria, was ascertained using the Pearson product-moment correlation statistic. The significance level for testing hypotheses was set at 0.05 ( $\alpha = 0.05$ ). The results showed that the majority of SMEs in the state seemed to be risk-averse, with their owners lacking initiative, according to both the proactiveness and risk-taking models. This could be the reason for the State's higher number of nascent SMEs. The study concluded that Osun State SMEs' entrepreneurial orientation is greatly impacted by strategic management techniques.

The impact of strategic planning flexibility on the entrepreneurial orientation of small and medium-sized businesses (SMEs) in Osun State, Nigeria, was examined by Abiodun and Olalekan

(2019). The study's research design was survey-based. There were 2,273 SMEs in Osun State that were registered with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). Using Cochran's formula, a sample size of 670 was determined. For the investigation, a multi-stage sampling technique was employed. In the initial phase, Osun State's six administrative zones were used to divide all SMEs into six strata. The number of participating SMEs in each stratum was then ascertained using the proportionate sampling technique. The participating SMEs and owner managers in each stratum/administrative zone were then chosen by simple random sampling. Data was gathered using a modified, validated, and structured questionnaire. The constructs' Cronbach's alpha coefficients varied between 0.90 and 0.98. The data was analyzed using descriptive and statistical methods. The study's conclusions showed that the entrepreneurial orientation of SMEs in Osun State is significantly and favorably impacted by strategic planning flexibility. Nigeria. According to the study's findings, company performance and strategic planning flexibility are not positively correlated. This effectively suggests that business performance cannot be predicted by the flexibility of strategic planning. According to the study's findings, SMEs should make sure that their strategic plans include sufficient budget support to enable the deployment of strategic flexibility planning tools.

Abodunde (2020) investigated how strategic management affected SMEs' performance in Nigeria's Lagos State. Out of 1,965 Small and Medium Businesses (SMEs) registered with Lagos State's Ministry of Commerce and Industry, 202 (202) that have been in business for the last ten (10) years were chosen at random to participate in the survey. The Ordinary Least Squares method of estimate was used to help analyze the data. The results show that while staff participation in the strategic management process has a positive and substantial impact on SMEs' performance, dedication to strategic management has a good but non-significant effect on SMEs' performance. The study comes to the conclusion that it is crucial for SMEs in Nigeria to involve all stakeholders in the strategic management process in order to gain sustainable competitive advantages in this day and age of fierce global competition.

The impact of strategic planning on the performance of small and medium-sized businesses in Osun State was investigated by Samuel et al. (2020). The research design used in this study was descriptive. Simple random sample and stratified sampling were the sampling strategies used in this investigation. The study's instrument was derived from primary data. A properly organized questionnaire was used to collect the primary data. Both descriptive and inferential statistics are part of the statistical approach that was utilized to examine the data for this investigation. The variables gathered from the administered questionnaire were analyzed and related using descriptive statistics such as frequency distribution, percentage mean, and standard deviation. Hypotheses were tested using regression analysis. The second and third hypotheses were tested using the Pearson Product Moment Correlation. The results indicate that low performance of SMEs is significantly correlated with poor strategic planning. Strategic planning also significantly improves the operations of small and medium-sized businesses in Osun State, indicating a significant positive correlation between the two.

Chukwuka and Imide (2022) looked into the relationship between strategic planning adoption and success in the SME sector. Performance looks to be below expectations, even if there seems to be



an improvement in the sector's institutional backing and a rise in interest in launching small and medium-sized enterprises in Nigeria. Numerous findings suggest that different perspectives on strategic planning could be the root cause of SMEs' subpar performance. A descriptive and regression analysis was carried out using SPSS. One of the study's conclusions is that the execution of strategic strategies had a major and positive influence on Delta State's market share growth. The profitability of small and medium-sized businesses in Delta State was significantly and favorably correlated with the creation of the strategic plan. Customer satisfaction in Delta State is significantly and favorably impacted by the analysis of cross-functional decisions.

The degree to which cost effectiveness, strategic planning, and the performance of small and medium-sized businesses (SMEs) in Ogun State, Nigeria, interact was investigated by Clement, Ajibade, and Awe (2024). The study was directed by four research questions. To accomplish the study's goal, a descriptive survey research design was used. For the study, a sample of 400 SMEs from all around Ogun State was chosen. Data was gathered using a self-created tool called Strategic Planning, Cost Effectiveness and SMEs Performance, which had a reliability coefficient of 0.90. Regression analysis was used to test the null hypotheses, and descriptive statistics were used to answer the study questions. In terms of sales growth, market share growth, employment creation, profit margin, and net profitability on a green level, as well as a significant decrease in debt accumulation and plant expansion in Ogun State, the analysis showed that SMEs' performance during the study year remained at an average level. Strategic planning improves the performance of SMEs. When SMEs are consistently cost-effective, their performance improves. The performance of SMEs was the dependent variable, while the independent variables of cost effectiveness and strategic planning significantly influenced it. The linear combination of cost effectiveness and strategic planning explained around 20% of the variation in SMEs' performance. Additionally, the regression analysis demonstrated that the independent variables significantly impacted the dependent variables.

In order to determine experimentally whether implementing strategic planning affects performance, as prior research including the developed world has discovered, Obaje (2020) investigated the relationship between strategic planning practices and the performance of SMEs in the Nigerian service-related industry. In order to ascertain whether the adoption of strategic planning has an effect on performance, it evaluates the attitudes and perceptions of SME owners and managers in Nigeria on strategic planning. Additionally, it seeks to determine the degree to which SMEs in Nigeria's service-related industry employ strategic planning as well as the ways in which Nigeria's unique sociocultural characteristics such as corruption, religion, societal norms, education, and patronage culture hinder adoption. It aims to raise awareness and spark discussion about the necessity of strategic continuity planning for Nigerian SMEs. Additionally, it offers a methodology for determining, from a Nigerian standpoint, the connection between strategic planning and the efficacy of SMEs. Using a mixed methods approach, questionnaires (136) and semi-structured interviews (20) were used to gather primary data from SMEs' owners and managers. The results showed that Nigerian SMEs adopted strategic planning at a low rate, in part because of the social factors stated. They support the results of previous studies conducted in the developed world, which show that SMEs' performance is improved by using strategic planning.

Mohammed and Rugami (2019) assessed how competing strategies affected Mombasa County's SMEs' performance. A total of 19708 SMEs were active in the population. A sample size of 202 SMEs was chosen for the study according to the size of the target group. The four main goals of the study were to ascertain how the cost leadership strategy affected the performance of small and medium-sized businesses in Mombasa County, how the differentiation strategy affected the performance of small and medium-sized businesses in Mombasa County, how the focus strategy affected the performance of small and medium-sized businesses in Mombasa County, and how product innovation affected the performance of small and medium-sized businesses in Mombasa County. SPSS was used to analyze the gathered data, and both descriptive and inferential statistics were performed. The findings showed that the competitive strategies adopted by this study positively and significantly affect the performance of SMEs in Mombasa County. The study concluded that all of the competitive strategies adopted have a positive and significant influence on the performance of SMEs in Mombasa County. The results are displayed using charts, tables, and graphs. The relationship between the independent variables and the dependent variable was demonstrated using a multivariate regression model and the path analysis technique.

Olumoh (2024) looked into how the operational performance of SMEs in the area was affected by strategic management controls. A quantitative survey research design was used in this study, and 399 SMEs in South-West Nigeria were chosen by stratified random sampling to provide primary data. The data was analyzed using partial least squares structural equation modeling. The results showed a strong positive correlation between operational success and strategic planning, highlighting the role that strategic planning plays in improving performance. Furthermore, operational performance was significantly impacted by strategic planning, indicating how well it works to promote advancements. Additionally, operational performance was positively and significantly impacted by strategic evaluation, underscoring its function in performance improvement. According to the study's findings, SMEs' operational performance can be accurately predicted by strategic management controls.

A descriptive survey research design was used for the study, and frequency count, multiple regression, and logit models were used to analyze primary data collected through a semi-structured questionnaire administered on 395 small business owners and managers in Ekiti State, Nigeria. Adetayo and Akingbade (2025) examined the moderating role of decision-making styles between strategic management practices and performance of small and medium enterprises (SMEs) in Ekiti State, Nigeria in order to determine whether strategic planning and implementation as well as decision making styles significantly affect SMEs' performance in Ekiti State, Nigeria. Multiple regression analysis revealed that strategic planning has a favorable and significant impact on SMEs' performance. Furthermore, the study found that decision-making styles had a greater impact on the dependent variable than the independent variable and acted as a positive mediator between strategic management and the performance of SMEs in Ekiti State, Nigeria. According to the study's findings, SMEs in Ekiti State, Nigeria, performed noticeably better when their strategic management techniques and decision-making approaches increased by one unit.

The effect of strategic management on the performance of small and medium-sized enterprises in the Federal Capital Territory (FCT) Abuja was examined by Aliyu, Adekunle, and Abbah (2022).

This study's research design is a causal comparative design. The Taro Yamani formal questionnaire was used to choose 388 of the 38,003 registered SME owners operating at various levels in the Federal Capital Territory (FCT), Abuja, who make up the study's population. The results of the study show that Strategy Formulation (SFN) significantly and favorably affects business performance. Similarly, it was discovered that the performance of SMEs was positively and significantly impacted by the implementation of the strategy. This demonstrated that the aspect of strategic management that has the biggest influence on business success is strategy implementation. According to the study's findings, every element of strategic management was significant and improved business performance among FCT SMEs.

With particular reference to SMEs functioning in Osogbo city, Osun State, Ogunleye et al. (2021) investigated the impact of strategic agility on the performance of SMEs. In Osogbo City, Osun State, Nigeria, SMEs involved in manufacturing, trading, services, and agro-allied industries were chosen using the purposeful sampling technique. Out of the 200 respondents, 50 operators/managers were chosen from each of the four sub-sectors using the snowball sampling technique. Information was gathered from the respondents using a standardized questionnaire. Mean, Chi-Square, Pearson Correlation, and the Ordinary Least Squares estimation method were used to help analyze the data. The outcome shows that leadership unit, resource flexibility, strategic sensitivity, and strategic reaction all significantly affect SMEs' success on their own.

Abij (2024) investigated the connection between organizational performance and strategic management at Ebonyi State Fertilizer and Chemical Company Ltd. in Abakaliki. The particular goals were to investigate the relationship between organizational performance and strategy evaluation, the relationship between strategy implementation and organizational performance at Ebonyi State Fertilizer and Chemical company Ltd., Abakaliki, and the relationship between strategy formulation and organizational performance. The research design used in the study was descriptive. 420 workers of the Ebonyi State Fertilizer and Chemical Company Ltd. in Abakaliki were chosen as the study's subjects. According to Krejcie and Morgan's (1970) table, the researchers used the Simple Random sample approach to select 201 respondents from the target group. The results of the study show a strong relationship between the development of strategies and the performance of companies. Ebonyi State Fertilizer and Chemical Company Ltd.'s total performance is positively correlated with the strategy's implementation in Abakaliki. Furthermore, the study found a significant positive relationship between Ebonyi State Fertilizer and Chemical Company Ltd., Abakaliki's overall performance and strategy evaluation.

Otiwa, Ojie, and Marshal-Agbe (2024) investigated how strategic management affected the viability of poultry businesses in Cross River State's Calabar South Local Government Area. Descriptive survey study design was used, and primary data was collected from local poultry industry owners. Since there were no official records of poultry farmers in the area, the population was unknown. Therefore, the snowball sampling technique was used, in which a poultry company owner was discovered and directed to the next poultry farmer until a sufficient number of 58 poultry farmers was attained. Both descriptive and inferential statistics were used to analyze the data. A multiple regression model was used to test the hypothesis at a significance level of 0.05. The results showed that every research variable was important, suggesting that the viability of the

poultry industry in Calabar South LGA depended on goal-setting, strategic planning, strategic orientation, shifting environmental conditions, and marketing strategy. The results suggested that the long-term prosperity of the chicken industry in Calabar South LGA depends on strategic management techniques.

Nwachukwu, Dappa, and Obasi (2020) looked on how strategic management techniques affected the performance of small businesses in the Niger Delta. A well-structured questionnaire was used to collect data from 1200 managers of small businesses in the nine states that made up the region using a descriptive approach. The study's conclusions showed that the performance of small businesses in the Niger Delta is significantly impacted by strategic management techniques. Additionally, the results showed that how strategically a business plan is created and carried out affects small-scale firms' performance, survivability, competitiveness, innovativeness, profitability, etc. Given the substantial impact it has on performance, the study comes to the conclusion that strategic management is essential to the survival and sustainability of small businesses in the Niger Delta.

The effect of strategic management on Cadbury Nigeria Plc's organizational performance was examined by Onikoyi et al. in 2021. In order to generate data, the study used a survey research design. Stratified sampling was used to collect primary data from 100 members of the organization's top, middle, and lower level management using structured questionnaires. The three guiding hypotheses of the study were tested using regression and descriptive analysis. A weak positive correlation between Strategic Management variables and organizational performance indicators was found in the study, with a p-value of 28.9% ( $P < 0.05$ ). Thus, the study came to the conclusion that, despite not yet being a standard business practice at Cadbury Nigeria Plc., strategic management has been found to be a reliable tool for enhancing the company's competitiveness, performance levels, and structural development in Lagos State in particular, as well as in Nigeria in general.

The impact of strategic financial management techniques on the long-term viability of SMEs in Osogbo, Nigeria, was investigated by Oyedeji et al. (2023). A descriptive survey research design was used in the study. 2,273 Osun State-registered SMEs made up the study's population. 333 SMEs made up the sample size, which was chosen using the Krejcie and Morgan sample table. The Cronbach reliability test yielded a coefficient value of 0.81 after the questionnaire was validated. The research hypotheses were tested using the Shapiro-Wilk and Kolmogorov-Smirnova normalcy tests as well as correlational analysis. SPSS was employed as the study's statistical instrument. The study came to the conclusion that the sustainability of SMEs is significantly impacted by strategic financial management strategies. This study's conclusion was that it advanced knowledge by demonstrating how strategic financial management techniques affect the long-term viability of SMEs in Osogbo, Nigeria.

Oparah, Nwosu, and Anene (2023) looked into how strategic marketing affected the overall performance of a few Imo State small businesses. The specific goal of this study was to determine the type of link that exists between the performance of SBEs and strategic marketing tools such product, price, promotion, place (distribution), packaging, and after-sales services. Owners and managers of SBEs at all levels who have effectively operated small businesses in Imo State,

Nigeria, make up the study's population. The companies were chosen on the basis of the Imo State Ministry for Commerce, Industry, and Cooperative's 103 criteria, which include the fact that they established and/or grew their enterprises in Imo, Nigeria, with the aid of strategic management methods. The study's population was evaluated using the Likert Scale Method of Summated Ratings. On a five-point scale ranging from Strongly Agree to Disagree, it displays the respondents' marketing techniques. The results indicate a strong negative correlation between strategic marketing and SBEs and a considerable positive correlation between marketing strategy and corporate performance.

Abodunde (2020) looked at strategic planning and how it affected the success of small and medium-sized businesses in Nigeria's Lagos state. The study specifically assesses the degree of strategic planning participation among SMEs operators, identifies the factors that influence SMEs to implement strategic planning in their operations, looks at the perceived contributions of strategic planning to SMEs' performance, identifies the obstacles that SMEs face when implementing their strategic plans, and finally looks at the impact of strategic planning on SMEs' performance. Out of 1,965 Small and Medium Businesses (SMEs) registered with Lagos State's Ministry of Commerce and Industry, 470 were chosen at random to participate in the survey. A structured questionnaire was used to collect the data and the ordinary least squares method of estimation, frequencies, percentages, and factor analysis were used to analyze the data. The majorities of SMEs' operators, according to the results, were unaware of the strategic planning procedure in their companies and did not adequately prepare for the creation and execution of the strategic plan. The results also show that organizational complexity, limited firm resources, new technology, and changes in the business environment affected their adoption of strategic planning. On the other hand, an effective strategic plan could help SMEs perform well by improving decision-making, customer satisfaction, capacity, problem-solving, competitive advantage, and market recognition. The results indicate that the main obstacles to SMEs' strategic plan implementation are a lack of resources, a shortage of specialists, and the difficulty of aligning organizational culture and strategy.

The effect of strategic management methods on the business performance of SMEs in Sri Lanka's Western province was examined by Abeygoonesekera and Pushpakumari (2024). The study was guided by a positivist research philosophy and used a cross-sectional survey design and quantitative methodology. The owners, directors, and managers of SMEs are the respondents, and SMEs themselves are the unit of study. Using the Google form-based approach and basic random sample techniques, structured surveys are used to gather data. From a population of 37,264 SMEs, a sample size of 380 SMEs representing all sectors in the research area was selected. The data gathered for the study is statistically and empirically analyzed using descriptive and inferential statistics. Multiple regression analysis is used to test the hypotheses, whereas Pearson correlation is used to look at the relationship between the constructs. The results suggest that the strategy's implementation, formulation, and evaluation all significantly improved the performance of SMEs, with environmental scanning having the greatest beneficial influence. In order to get the desired performance in SMEs, this study finds that owners and managers of SMEs must adopt appropriate strategic management methods as a comprehensive process.

**Gaps Identified in the Literature**

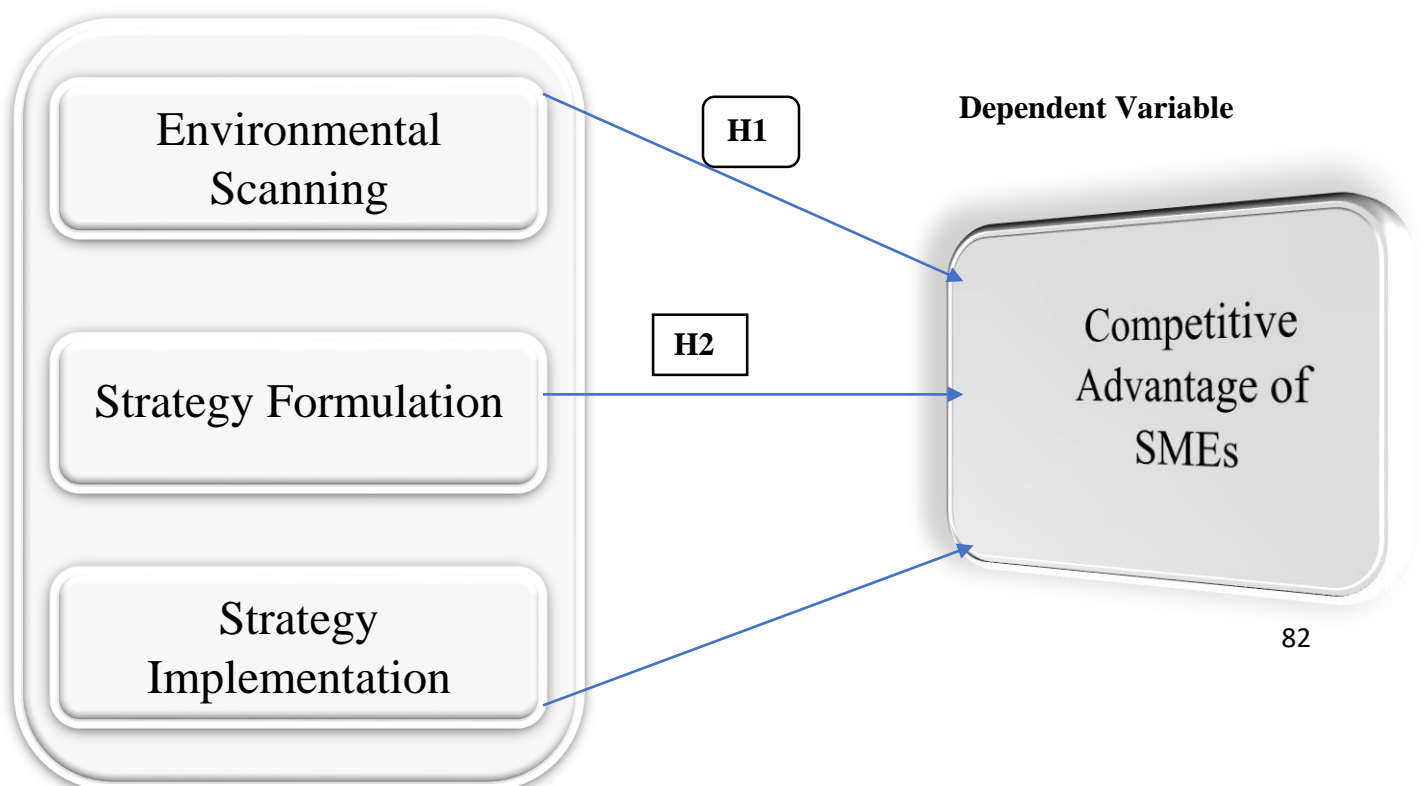
Many studies have explored various aspects of strategic management practices in organizations, but they have not sufficiently explored the aspects of strategic management practices on competitive advantage of small and medium size enterprise in Osun state, Nigeria. This is the gap in literature for this study.

**Conceptual Model**

Based on the literature reviewed, the study developed a conceptual model.

**Independent Variable:**

**Strategic Management Practices**



H3

**Fig 1 Conceptual Model of strategic Management Practices and Competitive Advantage of SMEs (Source: Field work (2024))**

Many studies have explored various aspects of strategic management practices in organizations, but they have not sufficiently explored the aspects of strategic management practices on competitive advantage of small and medium size enterprise in Osun state, Nigeria. This is the gap in literature for this study.

Figure 1 depicts the conceptual model for the study. The conceptual model was designed based on the theories and literature reviewed. The model describes the effect of the independent variables on the dependent variable. The independent variable is strategic management practices while the dependent variable is competitive advantage. This study examined the effect of strategic management practices on competitive advantage of small and medium size enterprise in Osun state, Nigeria.

### Methodology

This research adopted the survey research design. The research design describes the choice of the framework of research methods and techniques employed by a researcher for a particular study. It is a general strategy selected to bring together the different aspect of the study in a logical and coherent way so as to effectively treat the research problem. This method is based on the fact that it is an investigative method in which a sample of the population can be studied, and the selection is made such that the sample can be considered representative of the whole population.

The population of the study comprised of all 2,273 registered Small and Medium Enterprises (SMEs) owners in Osun State, Nigeria (SMEDAN, 2022). Convenient sampling procedure was adopted to sample 155 SMEs. A total of 149 participants responded and completed the survey giving a response rate of 96.1%.

### Results

#### Demographic Information

**Table 1: Frequency Distribution of Demographic Information of Respondents**

Demographic Information	Labels	Frequency	Percentage (%)
<b>Gender</b>	Male	96	64.4
	Female	53	35.6
<b>Age Range</b>	20 years and below	3	2.0
	21-30	21	14.1
	31-40	57	38.3
	41-50	58	38.9
	51 years and above	10	6.7

<b>Education Qualification</b>	SSCS	11	7.4
	NCE/ND/HND	56	37.6
	Bachelor Degree	56	37.6
	Master Degree	21	14.1
	PhD	5	3.4
<b>Years of Existence</b>	5 years and below	26	17.4
	6-10	17	11.4
	11-15	31	20.8
	16-20	26	17.4
	21 years and above	49	32.9

**N = 149 (Source: Field Survey, 2025)**

Table 4.1 shows the gender of respondents for this study. The result shows that out of 149 respondents, 96 (64.4%) respondents were male, while 53 (35.4%) respondents were female. This implies that there were more male respondents for this study. The result shows that 58 (38.9%) respondents were between the age range of 41-50, while only 3 (2.0%) respondents were between the age range of 20 years and below. This implies that respondents between the age ranges of 41-50 years participated more in this study. The result shows that 56 (37.6%) respondents were NCE/ND/HND and Bachelor degree holders respectively, while 5 (3.4%) respondents were PhD holders. This implies that respondents with NCE/ND/HND and Bachelor degree holders participated more in this study. The result shows that 49 (32.9%) respondents have been in existence for 21 years and above, while only 17 (11.4%) respondents have been in existence for 6-10 years. This implies that respondents that have been in existence for 21 years and above participated more in this study.

### **Discriptive Analysis**

**Table 2: Descriptive Analysis of Competitive Advantage of SMEs in Osun State**

<b>Performance of Bakery</b>	<b>SA (%)</b>	<b>A (%)</b>	<b>U (%)</b>	<b>D (%)</b>	<b>SD (%)</b>	<b>Mean</b>	<b>SD</b>
My SME offers products or services that are clearly differentiated from those of my competitors.	46 (30.9)	86 (57.7)	8 (5.4)	9 (6.0)	0 (0)	4.13	0.77
I am regularly invested in innovation to maintain a competitive edge.	33 (22.1)	84 (56.4)	22 (14.8)	10 (6.7)	0 (0)	3.94	0.80
My SME has built strong customer relationships that give me an advantage over competitors.	45 (30.2)	78 (52.3)	19 (12.8)	6 (4.0)	1 (0.7)	4.07	0.81
Access to specialized knowledge or skills is a key factor in my competitive success.	26 (17.4)	72 (48.3)	27 (18.1)	24 (16.1)	0 (0)	3.67	0.95
I am able to respond quickly to changes in the market compared to larger competitors.	35 (23.5)	80 (53.7)	23 (15.4)	11 (7.4)	0 (0)	3.93	0.83
<b>Average Mean of Competitive Advantage of SMEs in Osun State</b>						<b>3.96</b>	<b>8.23</b>

**N = 149 (Source: Field Survey, 2025)**

**KEY: SA = Strongly Agree (5), A = Agree (4), N = Neutral (3), D = Disagree (2), SD = Strongly Disagree**



\*\*\*Decision Rule: if mean is  $\leq 1.49$  = Strongly Disagree; 1.5 to 2.49 = Disagree; 2.5 to 3.49 = Neutral; 3.5 to 4.49 = Agree; 4.5 to 5 = Strongly Agree.

Table 2 reveals the descriptive analysis of competitive advantage of SMEs in Osun State. The result shows that the Average Mean of competitive advantage of SMEs in Osun State is 3.96. This implies that SMEs in Osun State who responded to the study agreed that they possess competitive advantage.

**Table 3: Descriptive Analysis of Environmental Scanning of SMEs in Osun State**

Environmental Scanning	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	SD
My business regularly monitors changes in the external environment, such as market trends and competitor activities.	38 (25.5)	93 (62.4)	14 (9.4)	3 (2.0)	1 (0.7)	4.28	0.56
I actively gather information on economic, technological, and regulatory developments that may affect our operations.	38 (25.5)	89 (59.7)	16 (10.7)	5 (3.4)	1 (0.7)	4.32	0.58
Environmental scanning is an integral part of my strategic planning process.	49 (32.9)	94 (63.1)	5 (3.4)	1 (0.7)	0 (0)	4.10	0.70
My company uses a variety of sources (e.g., industry reports, customer feedback, online tools) for environmental scanning.	55 (36.9)	87 (58.4)	6 (4.0)	1 (0.7)	0 (0)	4.23	0.69
I respond quickly and effectively to changes identified through environmental scanning.	34 (22.8)	99 (66.4)	10 (6.7)	4 (2.7)	2 (1.3)	4.39	0.58
<b>Average Mean of Environmental Scanning of SMEs in Osun State</b>						<b>4.20</b>	<b>0.74</b>

N = 149 (Source: Field Survey, 2024)

KEY: SA = Strongly Agree (5), A = Agree (4), N = Neutral (3), D = Disagree (2), SD = Strongly Disagree

\*\*\*Decision Rule: if mean is  $\leq 1.49$  = Strongly Disagree; 1.5 to 2.49 = Disagree; 2.5 to 3.49 = Neutral; 3.5 to 4.49 = Agree; 4.5 to 5 = Strongly Agree.

Table 3 reveals the descriptive analysis of environmental scanning of SMEs in Osun State. The result shows that the Average Mean of environmental scanning of SMEs in Osun State is 4.20. This implies that SMEs in Osun State agreed that they engaged in environmental scanning as their strategic management practices.

**Table 4: Descriptive Analysis of Strategy Formulation of SMEs in Osun State**

Strategy Formulation	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	SD
My business has a clearly defined strategic plan that guides decision-making.	40 (26.8)	84 (56.4)	17 (11.4)	7 (4.7)	1 (0.7)	4.04	0.80
I regularly assess the business environment (e.g., competitors, market trends) when formulating my strategies.	47 (31.5)	73 (49.0)	20 (13.4)	7 (4.7)	2 (1.3)	4.05	0.87

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Key employees are involved in the process of developing business strategies.	41 (27.5)	72 (48.3)	24 (16.1)	10 (6.7)	2 (1.3)	3.94	0.91
My business sets measurable goals and objectives as part of its strategy formulation.	101 (67.8)	46 (30.9)	2 (1.3)	0 (0)	0 (0)	4.66	0.50
I adjust my business strategies in response to changes in the local market and economic conditions.	80 (53.7)	64 (43.0)	3 (2.0)	1 (0.7)	1 (0.7)	4.48	0.64
<b>Average Mean of Strategy Formulation of SMEs in Osun State</b>						<b>4.26</b>	<b>0.72</b>

N = 149 (Source: Field Survey, 2025)

KEY: SA = Strongly Agree (5), A = Agree (4), N = Neutral (3), D = Disagree (2), SD = Strongly Disagree

\*\*\*Decision Rule: if mean is  $\leq 1.49$  = Strongly Disagree; 1.5 to 2.49 = Disagree; 2.5 to 3.49 = Neutral; 3.5 to 4.49 = Agree; 4.5 to 5 = Strongly Agree.

Table 4 reveals the descriptive analysis of strategy formulation of SMEs in Osun State. The result shows that the Average Mean of strategy formulation of SMEs in Osun State is 4.26. This implies that SMEs in Osun State agreed that they engaged in strategy formulation.

**Table 5: Descriptive Analysis of Strategy Implementation of SMEs in Osun State**

Strategy Implementation	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	SD
My organization clearly communicates strategic goals to all employees.	66 (44.3)	69 (46.3)	9 (6.0)	5 (3.4)	0 (0)	4.32	0.74
There is a consistent alignment between my daily operations and the overall business strategy.	58 (38.9)	73 (49.0)	15 (10.1)	3 (2.0)	0 (0)	4.25	0.72
Employees at all levels are adequately involved in the strategy implementation process.	46 (30.6)	86 (57.7)	8 (5.4)	9 (6.0)	0 (0)	4.13	0.77
My management regularly monitors and evaluates the progress of strategic initiatives.	33 (22.1)	84 (56.4)	22 (14.8)	10 (6.7)	0 (0)	3.94	0.80
I have the necessary resources (e.g., time, personnel, budget) to successfully implement my strategic plans.	45 (30.2)	78 (52.3)	19 (12.8)	6 (4.0)	1 (0.7)	4.07	0.81
<b>Average Mean of Strategy Implementation of SMEs in Osun State</b>						<b>4.09</b>	<b>0.57</b>

N = 149 (Source: Field Survey, 2025)

KEY: SA = Strongly Agree (5), A = Agree (4), N = Neutral (3), D = Disagree (2), SD = Strongly Disagree

\*\*\*Decision Rule: if mean is  $\leq 1.49$  = Strongly Disagree; 1.5 to 2.49 = Disagree; 2.5 to 3.49 = Neutral; 3.5 to 4.49 = Agree; 4.5 to 5 = Strongly Agree.

Table 5 reveals the descriptive analysis of strategy implementation of SMEs in Osun State. The result shows that the Average Mean of strategy implementation of SMEs in Osun State is 4.09. This implies that SMEs in Osun State agreed that they engaged in strategy implementation.

### Test of Hypotheses

**Hypothesis One:** Environmental scanning has no significant effect on competitive advantage of SMEs in Osun State.

**Table 6: Linear Regression Analysis of Effect of Environmental Scanning on Competitive Advantage of SMEs in Osun State**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
<b>1 (Constant)</b>	5.467	2.393		2.285	0.024
<b>Environmental Scanning</b>	0.435	0.057	0.535	7.686	0.000
a. Dependent Variable: <b>Competitive Advantage of SMEs in Osun State</b>					
<b>R = 0.535, R Square = 0.287, Adjusted R square = 0.282, F (1, 148) = 59.072, Fsig = 0.000</b>					

(Source: Field Survey, 2025)

Table 6 indicated that environmental scanning has significant effect on competitive advantage of SMEs in Osun State. The result shows that the t-value is noted to be 7.686. The R-Square is 0.287; this means that 28.7% of variation of environmental scanning can be explained in competitive advantage of SMEs in Osun State. The result also showed positive slope of (B = 0.435). The result further showed that there is positive relationship between environmental scanning and competitive advantage of SMEs in Osun State with (Beta = 0.535). This means that a unit increase in environmental scanning results to 53.5% increase in competitive advantage of SMEs in Osun State. However, the significant value of 0.000 is the calculated value and it is used to compare the t-tabulated value of 0.05 (5% standard value). Since  $0.000 < 0.05$ , the null hypothesis is rejected. Therefore, the result concluded that environmental scanning has significant effect on competitive advantage of SMEs in Osun State.

**Hypothesis Two:** Strategy formulation has no significant effect on competitive advantage of small and medium size enterprise in Osun State.

**Table 7: Linear Regression Analysis of Effect of Strategy Formulation on Competitive Advantage of SMEs in Osun State**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
<b>1 (Constant)</b>	7.479	2.417		3.095	0.002
<b>Strategy Formulation</b>	0.478	0.071	0.488	6.776	0.000
a. Dependent Variable: <b>Competitive Advantage of SMEs in Osun State</b>					
<b>R = 0.488, R Square = 0.238, Adjusted R square = 0.233, F (1, 148) = 45.910, Fsig = 0.000</b>					

(Source: Field Survey, 2025)

Table 7 indicated that strategy formulation has significant effect on competitive advantage of SMEs in Osun State. The result shows that the t-value is noted to be 6.776. The R-Square is 0.238; this means that 23.8% of variation of strategy formulation can be explained in competitive advantage of SMEs in Osun State. The result also showed positive slope of ( $B = 0.478$ ). The result further showed that there is positive relationship between strategy formulation and competitive advantage of SMEs in Osun State with ( $Beta = 0.488$ ). This means that a unit increase in strategy formulation results to 48.8% increase in competitive advantage of SMEs in Osun State. However, the significant value of 0.000 is the calculated value and it is used to compare the t-tabulated value of 0.05 (5% standard value). Since  $0.000 < 0.05$ , the null hypothesis is rejected. Therefore, the result concluded that strategy formulation has significant effect on competitive advantage of SMEs in Osun State.

**Hypothesis Three:** Strategy implementation has no significant effect on competitive advantage of small and medium size enterprise in Osun State.

**Table 8: Linear Regression Analysis of Effect of Strategy Implementation on Competitive Advantage of SMEs in Osun State**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
<b>1 (Constant)</b>	6.498	0.906		7.176	0.000
<b>Strategy Implementation</b>	0.739	0.022	0.941	33.629	0.000
a. Dependent Variable: <b>Competitive Advantage of SMEs in Osun State</b>					
<b>R = 0.941, R Square = 0.885, Adjusted R square = 0.884, F (1, 148) = 1130.487, Fsig = 0.000</b>					

(Source: Field Survey, 2024)

Table 8 indicated that strategy implementation has significant effect on competitive advantage of SMEs in Osun State. The result shows that the t-value is noted to be 33.629. The R-Square is 0.885; this means that 88.5% of variation of strategy implementation can be explained in competitive advantage of SMEs in Osun State. The result also showed positive slope of ( $B = 0.739$ ). The result further showed that there is positive relationship between strategy implementation and competitive advantage of SMEs in Osun State with ( $Beta = 0.941$ ). This means that a unit increase in strategy implementation results to 94.1% increase in competitive advantage of SMEs in Osun State. However, the significant value of 0.000 is the calculated value and it is used to compare the t-tabulated value of 0.05 (5% standard value). Since  $0.000 < 0.05$ , the null hypothesis is rejected. Therefore, the result concluded that strategy implementation has significant effect on competitive advantage of SMEs in Osun State.

### **Discussion of Findings**

The finding of this study shows that environmental scanning has significant effect on competitive advantage of SMEs in Osun State. The finding of this study agreed with the finding of Kayode et al. (2020) who investigated environmental scanning as strategic management practice tool for increasing SMEs performance in Southwest, Nigeria and reported that environmental scanning positively and significantly affect entrepreneurship development with the t-statistics and probability of ( $t = 20.454$ ;  $.000 < 0.05$ ). The study therefore concluded that environmental scanning has significant effect on performance of SMEs in Southwest Nigeria. The study recommended that

the managers and owners of the SMEs should not be anxious to run into business without proper studying, hence they are advised to develop an awareness of their industry and competitors and consequently scan the environment regularly.

The finding of this study shows that strategy formulation has significant effect on competitive advantage of SMEs in Osun State. The finding of this study agreed with the finding of Abiodun and Olalekan (2019) who investigated the influence of strategic planning flexibility on entrepreneurial orientation of SMEs in Osun State, Nigeria and reported that strategic planning flexibility has a significant and positive influence on the entrepreneurial orientation of SMEs in Osun State, Nigeria. The outcome of the study reveals that there is no positive relationship between strategic planning flexibility and firm performance. This, in effect, implies that strategic planning flexibility is not a predictor of firm performance. The study concluded that SMEs should ensure the provision of adequate budget support in their strategic plans in order to facilitate the implementation of strategic flexibility planning systems.

The finding of this study shows that strategy implementation has significant effect on competitive advantage of SMEs in Osun State. The finding of this study agreed with the finding of Orugun, Nafiu and Aduku (2017) who investigated the strategy implementation and its effect on superior performance and competitive advantage of SMEs in Kogi State, Nigeria and reported that strategy implementation of SMEs has significant effect on superior performance relative to other competitors in Kogi State. The study concluded that when strategy is successfully implemented, it has consequences on organizational performance.

### **Conclusion and Recommendations**

Strategic management is the formulation and implementation of the major goals and initiatives taken by an organization's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes. The use of strategic management practices by SMEs has the potential of enhancing their competitive advantage. The result of this study showed that that strategic management practices has a positive and significant effect on competitive advantage of Small and Medium Size Enterprise in Osun State, Nigeria. Therefore, the study concluded that strategic management practices significantly impact competitive advantage of Small and Medium Size Enterprise in Osun State, Nigeria.

Based on the findings of this study, the following recommendations were made:

1. SMEs in Osun State should engage in regular market research and environmental scanning to align their strategic goals with market demands and trends.
2. SMEs in Osun State should engage in continuous innovation in products, services, and business processes, while integrating affordable digital tools (e.g., social media marketing, POS systems, inventory software).
3. SMEs in Osun State should establish sound budgeting, cash flow monitoring, and risk assessment procedures to ensure business sustainability.

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