

Effects of Strategic Management on Organizational Growth of Selected Transport Firms in Nigeria

Nwosu Ndubuisi Levi, PhD¹, Okebaram Sunny M., PhD², EmeroleAhamefula Gideon, PhD³

Department of Business Administration^{1,2,3}

Michael Okpara University of Agriculture, Umudike^{1,2,3}

ABSTRACT: *Since late 1900s, empirical researches have been carried out to determine the effect of strategic management on organizational growth. Researches in this area become very paramount because of change in economic environment which are characterized by certain phenomena such as globalization, change in customer and investor demands market competition change in test and performance of customers. The study objective was to examine the effect of strategic management on organizational growth of AKTC & PMT in Nigeria economy. The following hypotheses were stated in null form to guide the study. Strategic management has no significant effect on profitability of the transport firms. Strategic management has no significant effect on market shares of the transport firms. There is no significant relationship between strategic management and productivity of the transport firm. The descriptive survey research design was adopted for this study in which a structured questionnaire was used to elicit information from the target respondents who were management staff of AKTC and PMT. The survey research design that was adopted becomes imperative because of the population characteristics and a representative nature of the sample of the population for the study. A sixteen (16) staff of AKTC and PMT, constitute the population for the study. This comprise of senior staff of the two transport companies. The sample size of the study comprise of sixteen (16) management staff from Akwa Ibom Transport Company (AKTC) and sixteen (16) management staff of Peace Mass Transport Company (PMT) making a total of thirty two (32). The modified battery Likert scale questionnaire of a given point was adopted for the study with strongly agree (5) agree (4), disagree (3), strongly disagree (2) and undecided (1). The study hypotheses were analyzed using simple regression and correlation models. However, the SPSS was adopted. Objectives 1 and 2 were achieved using simple regression model, while objective 3 was achieved using correlation model. Findings from the regression analysis show that the strategic management of AKTC and PMT has a strong effect on their profitability, as the result shows positivity and both statistically significant at 1% level. This buttress the point of Umar (2005) who postulated that strategic management plays a vital role for the organization to make profit, success, survival and growth. Management of both AKTC and PMT, inclusive of other transport firms should continuously maintain, sustain and review/improve (if need be) their strategic management practices, since it is indispensable for organizational growth.*

Keywords: *Strategic management, organizational growth, profitability, market shares, productivity.*

I. INTRODUCTION

Since late 1900s, empirical researches have been carried out to determine the effect of strategic management on organizational growth (Barney, 1995; Askarany and Yazdifar, 2012). Researches in this area become very paramount because of change in economic environment which are characterized by certain phenomena such as globalization, change in customer and investor demands market competition change in test and performance of customers (Gichunge, 2010).

For organizations or firms to be able to compete favorably in this competitive environment, firms need to continually improve on their human resource management in order to influence the employee's output performance (Muogbo, 2013). However, it is important to note that, for this to be possible, the firms need to reduce cost in innovating its products, and services improve on processes, improving quality service delivery and increased the level of customer relationship management through marketing personnel which can lead to increase in marketing share (Kolter, *et al.*, 2014). Then, strategic

management should be the pivot in which the wheel of organizational growth rotates around. Meanwhile in a service industry, it is not always easy to have breakeven, since the nature of their product are intangible (Boone and Kurtz, 2011).

To tangibilize the intangible, the strategic managers must integrate the seven (7) framework of managing service firms like shared value, the strategy, structure, style, skills, system and the staff, in other to harness the firm potentials and reposition the firm for effective and efficient competition (Chen and Klimoski, 2013). Consequently, the business environment in which these firms operate such as economic, political, legal, technological, demographic need to be monitored from time to time in order to note changes that may likely to occur with them (Miles and Snow, 2016). This will give the management opportunity to replace its old strategies with the new one, should any change occur (Raduan, et al., 2009). Furthermore, since strategic management is the corporate organizational functions, in the process of adoption, the management should make sure that employees welfare formed part of the integral process, in which transport sub-sector is no exception. For instance studies have shown that good strategic management can aid in improving employees output performance, increase firm's profitability. Also sound strategy management can help to increase the firm's productivity. Similarly, a good strategic management can help these firms to increase their market shares (Kolter, *et al.*, 2014; Dreher & Cox Jr, 2014; Gordon and Fitzgibbons, 2015). However, proper adoption and implementation of strategic plan can help to reposition AKTC and PMT transport companies in their routes of operation to gain competitive advantage and become more focused on their market niche in particular and also increase revenue generation for Nigeria in general.

1.2 Statement of the problem

The success of every organization has been the reason of the intensive research efforts in recent time. The adoption and implementation of policies and programs aid in accomplishing its strategic plan, in term of its mission and vision is of great concern to every firm. Strategic managers in both private and public firms are now fully aware that critical sources of competitive advantage often come from indigenous products and services, good public relations strategy, state of the present technology having an appropriate system of attracting and managing the organisation's human resource. The rate of change in our business environment present new challenges daily (Muogbo, 2013). Therefore, sustainable strategy must be found for the transport sub-sector if it must adequately met its challenges. Various transport firms need to come up with the adequate innovative ideas to create unique brands, customer friendly services that will bring about competitive advantage in terms of brand preference, customer loyalty, which might be the reason why some transport firms do not always meet their required target. It appears that there is tendency of the practice, "person-organisation fit" and the "person-job fit" has not been addressed. Despite these no research work have been carried out to determine the effect of strategic management on organizational growth in Nigeria transport sub-sector. Existing studies in Nigeria aimed at human resource development (for instance, Olatokun and Ubinedion, 2009; Abdulkadir, 2012). Relevant studies on this study were on strategic planning and development on manufacturing sub-sector. (Muogbo, 2013; Gichunge, 2010).

All these studies in Nigeria, none examine the effect of strategic management on the growth of transportation sub-sector of Nigerian economy. To this end, this study seeks to empirically analyze how strategic management can be employed in the transport sub-sector (AKTC & PMT) to effectively increase their growth.

1.3 Objectives of the Study

The broad objective of the study is to examine the effect of strategic management on organizational growth of AKTC & PMT in Nigeria economy. The specific objectives were to;

- i. determine the effect of strategic management on profitability of the transport firms.
- ii. examine the effect of strategic management on market shares of the transport firms.
- iii. ascertain the relationship between strategic management and productivity of the transport firms.

1.4 Research Questions

To address the above stated problems, the following research questions were asked to guide the study.

- i. What is the effect of strategic management on the profitability of the transport firms?
- ii. What is the effect of strategic management on market shares of the transport firms?
- iii. What is the relationship between strategic management and productivity of the transport firm?

1.5 Research Hypotheses

The following hypotheses were stated in null form to guide the study.

H₀₁: Strategic management has no significant effect on profitability of the transport firms

H₀₂: Strategic management has no significant effect on market shares of the transport firms

H₀₃: There is no significant relationship between strategic management and productivity of the transport firm

II. LITERATURE REVIEW

2.1 Conceptual framework

Strategic management is the corporate organizational function. It is the process of identifying and organization's objectives, developing policies, programs and plans to achieve and attain these said objectives, and sharing resources so as to implement, evaluates the policies and plans. It is also good to say that strategic management is putting together of strategy formulation, implementation and evaluation (David, 2005; Zainal, 2005).

Raduan, *et al.*, (2009), postulated that strategies management theories come from the angle of system perspective, goal setting approach and information technology approach as well as profit-maximizing and competitive based theory and contingency theory.

Strategic management is the process and approach of identifying or specifying an organization's objectives or goals, developing policies and plans to achieve and attain these set objectives, and allocating resources so as to implement the policies and plans (David, 2005). Furthermore, strategic management is the process of examining both present and future environment, formulating the organizations objectives, implementing and controlling decisions focused on achieving these objective in the present and future environment (Adeleke, 2008). Thompson and Strickland (2003) defined it as the managers tasks of crafting, implementing and executing company strategies. They defined strategy as the same plan management has for positioning the company in its chosen target market, competing successfully, pleasing customer, and achieving good business performance (Iravo, Ongori and Munene, 2013).

However, Sharabati and Fugaha, 2013) postulated that, strategic management is the process which deals with the fundamental organizational renewal and growth with the development of strategies, structures and systems necessary to achieve such renewal and growth and with the organizational systems needed to effectively manage the strategy formulation and implementation processes.

It is also important to note that, Ansoff (1984) observed that strategic management is a systematic approach to a major and increasingly important responsibility of general management to position and relate the firm to its environment in a way that will assure its continued success and make it secure from surprises.

In this definition, the emphasis is on the environment organization relationship for the purpose of achieving the objective of continued success and remaining protected from environmental surprises through the adoption of a systematic approach to general management. Sharplin (2006) defines strategic management as "the formulation and implementation of plans and carrying out of activities relating to the matters which are of vital, pervasive or continuing importance to the total organization" This is an all-encompassing view of strategic management and considers all plans and activities which are important for an organization.

2.1.1 Organization Growth

Organizational growth is concerned with the overall productivity in an organization in term of stock turnover, customers, profitability and market share. The concept of organizational growth is core to businesses because the major objective of businesses is to make profits. Iravo, *et al.*, (2013) postulated that one of the most important questions in business has been why some organization succeed and why others fail and this has influenced a study on the drivers of organizational growth. Fwaya (2006) views growth as a formula for the assessment of the functioning of an organization under certain parameters such as productivity, employee morale and effectiveness. Nzuyve and Nyaega (2012) opined that performance management and improvement is at the heart of strategic management because a lot of strategic thinking is geared towards defining and

measuring performance or growth. Awino (2011) observed that for an organisation to be successful it has to record high returns and identify growth drivers from the top to the bottom of the organisation. Odhiambo (2009) identified three approaches to growth in an organisation which are the goal approach which states that an organisation pursues definite identifiable goals. This approach describes performance in terms of the attainment of these goals. The second approach is the systems resource approach which defines growth as a relationship between an organisation and its environment. This concepts define growth according to an organisation's ability to secure the limited and valued resources in the environment. The third approach is the process perspective which defines growth in term of the behaviour of the human resource of an organisation (Waiganjoet *al.*, 2012).

2.1.2 Strategic Management Process

Strategy management process starts with the following: Goal setting, Analysis, strategy formation, strategy implementation, strategy evaluation.

Goal setting – the vision and goals of the organisation are clearly stated. The short term and long term goals are defined process to achieve the objectives are identified and current staff is evaluated to choose capable people to work on the process.

Analysis – Data relevant to achieve the goals of the organisation is gathered, potential internal and external factors than can affect the sustained growth of the organization are examined and SWOT analysis is also performed.

Strategy formulation – Once the analysis is done, the organization moves to the strategy formulation stage where the plan to acquire the required resources is designed, prioritization of the issues facing the business done and finally, the strategy is formulated accordingly.

Strategy Implementation – After formulation of the strategy, employees of organization are clearly made aware of their role and responsibilities. It is ensured that funds will be available all the time. Then, the implementation begins.

Strategy evaluation – In this process, the strategies being implemented are evaluated regularly to check whether they are on track and are providing the desire result. In case of deviation, corrective actions are taken (MBA.SKOOOL.COM).

2.2 Theoretical Framework

Goal setting theory, the theory has an impressive base of research support of how managers can make goal setting operational. It sees management by objectives (MBO) as a panacea for organization to realize its corporate objectives which is the overall interest of strategic management (Locke, 1968). Management by objectives emphasizes participative goal setting that are tangible, verifiable, and measurable. (Robbins and Judge, 2007). MBO's appeal undoubtedly lies in its emphasis on converting overall organizational objectives into specific objectives for organisational units and individual members. MBO operationalizes the concept of objectives by devising a process by which objectives cascade down through the organization (Robbins and Judge, 2007).

Furthermore, there are four ingredients common to MBO programs. These are goal specificity, participation in decision making (including participation in the setting of goals or objectives), an explicit time period, and performance feedback (Mento, *et al.*, 1984). Many of the elements in MBO programs match goal setting theory's propositions. For instance, having an explicit time period to accomplish objectives matches goal setting theory's emphasis on goal specificity (Mento, *et al.*, 1984). The theory make the following assumptions; if employees have the opportunity to participate in the setting of their own goals, they will work harder, people will do better when they get feedback on how well they are progressing toward their goals because feedback helps to identify discrepancies between what they have done and what they want to do (Ivancevich and McMahon 1982).

However, the profit-maximizing and competition based theory, which was of pinion that business organisation main objective is to maximize long term profit and developing sustainable competitive advantage act rivals in the external business environment. It is important to note that, industrial organization perspective is the basis of this theory as it sees the organisation external market positions as the important factor for reaching and sustaining competitive advantage. This afford strategic management a systematic model for assessing competition within a particular industry which the transport sub-sector is not an exception (Porter and Kramer, 2006). It is also pertinent to note that, the contingency theory is of the opinion that there is no one or correct way or method to manage business organization. That business organization ought to

develop managerial strategy based on the situation and condition surrounding the business environment where they are operating. However, in this study, apart from other important strategic management theories mentioned above contingency theory was the main theoretical foundation that the study applied and the basis of the variables relationships being studied. This was very important because of the political and economic ways of doing business in Nigeria firms are exposed to high cost of doing business in terms of internal factors and high level corruption, which the transport sub-sector is not left out. To this end, this study will focus mainly to the internal features (for instance, goal setting, capabilities, systems) of the firm towards achieving competitive advantage. Finally, the theory was adopted because it addresses issues and findings, challenges and feedback which are the primary of strategic management. It was also adopted because the strategic management process begins with goal setting to evaluation.

2.3 Empirical Literature

Strategic management have continually taken its prominent position in the field of management. This is because of its relevance, it has become the center focus of research interest among scholars and practitioners of management. This is possible, owing to the fact of the universal application of this aspect of management discipline. Its corporate organizational objectives have made it inseparable from today's business or firm. Most especially those firms that want expansion, growth and development (Amitabh, Gupta and Porter, 2010; Boyd, *et al.*, 2005). There are some empirical researches in Nigeria in the recent past. Locke and Latham, (2002) investigated the adoption of strategic management approach in ensuring capital market efficiency. This was as a result of the important role that capital market played in economic development of Nigeria. The strategic variable they reviewed ranged from effective regulation to attaining favorable macroeconomic or uncontrollable environment. Therefore, the researchers postulated that these strategies will not only help in rapid growth of capital market and promote the efficiency, but will leverage the prominent role played by capital market in economic growth and development. However, they were also of opinion that, if capital market must overcome its present challenges. Then, a panacea must be found for the sector (capital market) which the transport sub-sector is not an exemption. Muogbo (2013) investigated the impact of strategic management on organizational growth and development of manufacturing firms in Anambra state, Nigeria. The study determined the place of strategic management in improving corporate performance among manufacturing firms in Anambra state of Nigeria. The study equally determine the extent to which strategic management is practice by manufacturing firms in Anambra state of Nigeria. It also determine the relationship between the level of competition and adoption of strategic management. Finally, the study assessed the relationship adoption of strategic management and organisation performance. The data were collected through the use of structured questionnaire from 21 manufacturing firms in Anambra state. The data was analyzed statistically using the SPSS 17 and other research package through proportions, tabulation and chi-square analysis.

The results showed that manufacturing firms in Anambra state of Nigeria have not yet practice strategic management. They have not identified strategic management as a variable tool for improving the competitiveness, performance levels and structural development of manufacturing firms in Anambra state of Nigeria. The study was in conformity with the past studies that environmental, administrative/legal factors affect both adoption of formal strategic management or organizational performance (Porter & Krammer, 2006; Raduan, *et al.*, 2009). The study recommended that entrepreneurial Centre and business schools in Nigeria should incorporate strategic management principle into their curricula. This will engender sound managerial know-how and boost the performance and competitiveness of firms in Nigeria. (Muogbo, 2013).

Olanipekun, Abioro, Akanni, Arulogun and Rabi (2015) examined the impact of strategic management on competitive Advantage and organisational performance-evidence from Nigerian bottling-company. According to the authors, the business of the twenty first century irrespective of its size is going to be part of the global business community affecting and being affected by social change events and pressures from around the world. This is so, because the business environment is changing, dynamic, turbulent, discontinuous and highly competitive. In this period, the relationship between business and society has changed radically. The study examined the impact of strategic management on competitive advantage and organisational performance in Nigerian bottling company using the resource based theory as its theoretical basis because of theory explains how competitive advantage and superior performance of an organisation is explained by the distinctiveness of its resources and capabilities which constitutes central considerations in formulating its strategy. Primary data with the aid of a structured questionnaire was used to elicit information from respondents. The data collected were analyzed using both descriptive such as frequencies, percentages mean, standard deviation and inferential statistics of chi-square and Analysis of variance (ANOVA). The sample size for the study was 158. The findings revealed that indeed the adoption and

implementation of strategic management practices makes the organisation not only to be proactive to changes but also initiate positive changes the consequently leads to competitive advantage and sustainable performance. It was recommended that organisation should continuously maintain, sustain, and improve strategic management practices since it is an indispensable tool for business organisation performance.

Umar (2005) explored the impact of strategic management as a tool of achieving an effective and efficient merger and acquisition at Nestle and Lever Brothers Plc. Based on the findings of the study, it was concluded that strategic management played a very important role in the success, growth and survival of the company, particularly where merger was concerned.

Dauda, Akingbade, and Akinlabi (2010) examined the influence of strategic management on corporate performance in selected small scale enterprises in Lagos metropolis, Nigeria. The objective of the study was to find out the influence of strategic management on corporate performance in selected small scale enterprises in Lagos, Nigeria. The survey research was used for the study. The sample size of 140 respondents was used. This was selected randomly and questionnaire was used for data collection. Their finding revealed that strategic management practices enhances both organisational profitability and company market share and it was concluded that strategic management practices enhances both organisational profitability and company market share and therefore suggest that strategic management concepts should be adopted by business organisations.

Gichunge (2006), Investigated the effect of formal strategic management on organisational performance: a study of selected medium sized manufacturing enterprises in Nairobi, Kenya the main objective of this study was to examine the effect of formal strategic management on organisational performance of medium sized manufacturing enterprises in Nairobi, Kenya. The methodology of this study the research was conducted through a survey research design. The sample of 80 MEs was selected using simple random sampling. Questionnaire was used to collect information from the respondents. The study found that the majority of MEs have adopted some formal strategic management. This is inconsistent with current literature and empirical studies that suggest that the MES have not adopted any formal past studies that administrative/legal factors affect both adoption of formal strategic management and organisational performance.

III. METHODOLOGY

The descriptive survey research design was adopted for this study in which a structured questionnaire was used to elicit information from the target respondents who were non-academic staff of AKTC and PMT. The survey research design that was adopted becomes imperative because of the population characteristics and a representative nature of the sample of the population for the study. The sample size of the study comprise of sixteen (16) management staff from Akwa Ibom Transport Company (AKTC) and sixteen (16) management staff of Peace Mass Transport Company (PMT) making a total of thirty two (32). The modified battery Likert scale questionnaire of a given point was adopted for the study with strongly agree (5) agree (4), disagree (3), strongly disagree (2) and undecided (1). The study adopted Cronbach Alphas method to test the reliability of the research instrument. The content reliability test was measured using the test re-test reliability method. The study hypotheses were analyzed using simple regression and correlation models. However, the SPSS was adopted. Objectives 1 and 2 were achieved using simple regression model, while objective 3 was achieved using correlation model.

IV. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Socio-economic Characteristics of the Respondents

To ascertain the background of the respondents, their socio-economic characteristics were elicited. These include their age, gender, academic qualification and experience. Tables 1 – Table 4 below show these socio-economic characteristics.

Table 1 Age Distribution of Entrepreneurs in the Study Area

Age	Frequency		Percentage (%)	
	AKTC	PMT	AKTC	PMT
26 – 30 years	3	4	18.8	25.0
31 – 35 years	3	3	18.8	18.8
36 – 40 years	2	4	12.5	25.0
41 – 45 years	5	3	31.3	18.8
46 years and above	3	2	18.8	12.5
Total	16	16	100	100

Source: Field Survey Data, 2018

Table 1 shows the age distribution of the respondents in the study area. The result from this table shows that 18.8% (3) of the respondents from AKTC and 25% (4) from PMT are within the age range of 26 – 30 years, 18.8% of them from AKTC and 18.8% from PMT fall within the age range of 31 – 35 years, 12.5% of those from AKTC and 25% from are within the age range of 36 – 40 years, 31.3% of them from AKTC and 18.8% from PMT are within the age range of 41 – 45 years, while the remaining 18.8% of the respondents from AKTC and 12.5% of those from PMT are 46years and above. This implies that majority of the respondents from both organizations in the study area are in their youthful age.

Table 2 Distribution of Respondents according to Gender

Gender	Frequency		Percentage (%)	
	AKTC	PMT	AKTC	PMT
Male	12	10	75	62.5
Female	4	6	25	37.5
Total	16	16	100	100

Source: Field Survey Data, 2018

The result from Table 2 shows that 75% of the respondents from AKTC and 62.5 from PMT are male, while the remaining 25% and 37.5% of the respondents from AKTC and PMT respectively are female. This implies that majority of the staff/workers of AKTC and PMT in the study area are male.

Table 3 Education Qualification of Respondents in the Study Area

Education Qualification	Frequency		Percentage (%)	
	AKTC	PMT	AKTC	PMT

SSCE/O'Level	4	3	25	18.8	
OND/NCE		7	5	43.8	31.3
HND/B.Sc		4	6	25	37.5
M.Sc/PhD		1	2	6.3	12.5
Total		16	16	100	100

Source: Field Survey Data, 2018

The result from Table 3 shows that 25% of the senior staff members of AKTC and 18.8% of the senior staff members of PMT in the study area, had their education up to secondary level, 43.8% of them from AKTC and 31.3% from PMT had education qualification up to OND/NCE level, 25% of them from AKTC and 37.5% from PMT had education qualification up to HND/B.SC while the remaining 6.3% of the respondents from AKTC and 15.5% from PMT had education qualification up to M.SC/PhD level. This result implies that majority of the senior staff members of both organizations are well educated.

Table 4 Experience of the Respondents in the Study Area

Years of Experience	Frequency		Percentage (%)	
	AKTC	PMT	AKTC	PMT
2 - 5 years	4	1	25.0	6.3
6 - 9 yeras	5	6	31.3	37.5
10 - 13 years	5	6	31.3	37.5
14 years and above	2	3	12.5	18.8
Total	16	16	100	100

Source: Field Survey Data, 2018

From Table 4, the result shows that 25% of the senior staff workers of AKTC and 6.3% of those from PMT in the study area have had experience between the range of 2 - 5 years in the transport sector, 31.3% of them from AKTC and 37.5% from PMT had experience between the range of 6 - 9 years, another 31.3% of them from AKTC and 37.5% from PMT have had experience between the range of 10 - 13 years, while the remaining 12.5% and 18.8% of the senior staff members from AKTC and PMT respectively, have had experience of 14 years and above in the transport sector. This goes further to show that majority of the senior staff employees of both AKTC and PMT are well experienced in the transport business. The primary determinants of a potential marketer’s capabilities are experience in the business and quality of the information provided (Olanipekun *et al.*, 2011).

4.2 Effect of Strategic Management on Profitability of AKTC and PMT

The effect of strategic management on profitability was analyzed with the simple regression model, and the result presented in Table 5.

Table 5 Computation of Simple Regression for Effect Strategic Management on Profitability

Variables	AKTC				PMT		
	Coefficient	Std. Error	t-value		Coefficient	Std. Error	t-value
Constant	0.717*	0.628	1.143	0.909*	0.800	1.137	
Strategic Management	0.826***	0.151	5.485	0.818	0.184	4.437	
R ²	0.682			0.628			
F-value	30.083***			19.688***			

Source: Field Survey Data, 2018

* Statistically Significant at 10% level of significance

*** Statistically Significant at 1% level of significance.

The data from Table 5 show the regression estimate of the effect of strategic management on the profitability of AKTC and PMT. The result shows that the determinations (R²) were 0.682 and 0.628 for AKTC and PMT respectively. This implies that 68.2% and 62.8% variability in the profitability of AKTC and PMT respectively were explained by the model, while the remaining 31.8% and 37.2% could be attributed to error and omitted variables for AKTC and PMT respectively. The F-value of 30.083 (AKTC) and 19.688 (PMT) were both significant at 1% level, which indicates that the model is adequate for use in further analysis as it indicates a requirement of best fit.

The result shows that the strategic management’s effect on profitability of AKTC and PMT was positive and statistically significant both at 1% level. This implies that the strategic management of AKTC and PMT affects their performance level in terms of their profitability.

4.3 Effect of Strategic Management on Market Share of AKTC and PMT

The effect of strategic management on market share of AKTC and PMT was analyzed with the simple regression model, and the result presented in Table 6

Table 6 Computation of Simple Regression for Effect Strategic Management on Market Share

Variables	AKTC				PMT		
	Coefficient	Std. Error	t-value		Coefficient	Std. Error	t-value
Constant	0.733***	0.145	5.065	1.311**	0.595	2.206	
Strategic Management	0.176***	0.033	5.321	0.739***	0.136	5.428	
R ²	0.669			0.678			
F-value	28.316***			29.461***			

Source: Field Survey Data, 2018

** Statistically Significant at 5% level of significance

*** Statistically Significant at 1% level of significance.

The data from Table 6 show the regression estimate of the effect of strategic management on the market share of AKTC and PMT. The result shows that the determinations (R^2) were 0.669 and 0.678 for AKTC and PMT respectively. This implies that 66.9% and 67.8% variability in the market share of AKTC and PMT respectively were explained by the model, while the remaining 33.1% and 32.2% could be attributed to error and omitted variables for AKTC and PMT respectively. The F-value of 28.316 (AKTC) and 29.461 (PMT) were both significant at 1% level, which indicates that the model is adequate for use in further analysis as it indicates a requirement of best fit. The result shows that the strategic management's effect of AKTC and PMT on their market share was positive and both statistically significant at 1% level. This implies that the strategic management of AKTC and PMT does have an effect on their market share.

4.4 Estimate of the Relationship between Strategic Management and Productivity of AKTC and PMT

The estimate of the relationship between strategic management and productivity of AKTC and PMT, which was analysed with the correlation model, is presented in Table 7 below

Table 7 **Distribution of the Estimate of the Relationship between Strategic Management and Productivity of AKTC and PMT**

		Correlations			
		Strategic Management		Productivity	
		AKTC	PMT	AKTC	PMT
Strategic Management	Pearson Correlation	1	1	.523**	.728**
	Sig. (2-tailed)			.000	.000
	N	16	16	16	16
Productivity	Pearson Correlation	.523**	.728**	1	1
	Sig. (2-tailed)	.000	.000		
	N	16	16	16	16

** Correlation is significant at the 0.01 level (2-tailed).

Source: Field Survey Data, 2018

The result from Table 7 shows the correlation between strategic management and productivity of AKTC and PMT at 0.523 and 0.728 and the Probability at 0.000 both. This implies that there is a strong relationship between strategic management and the productivity of both AKTC and PMT in the study area, though that of PMT looks stronger. This means that the strategic management of both AKTC and PMT has positive and strong impact on their productivity.

V. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of Major Findings

This study examined the effect of strategic management on organizational growth of selected transport firms in Nigeria, using Akwa Ibom Transport Company (AKTC) and Peace Mass Transit (PMT). It specifically determined the effect of strategic management on profitability of AKTC and PMT; examined the effect of strategic management on market share and ascertained the relationship between strategic management and productivity of AKTC and PMT.

The findings from the results show that majority of the senior staff members of AKTC and PMT were male who are within the age range of 41 - 45years and 36 - 40 years respectively, with majority of them being well educated and highly experienced. Findings from the regression analysis show that the strategic management of AKTC and PMT has a strong effect on their profitability, as the result shows positivity and both statistically significant at 1% level. This buttress the point of Umar (2005) who postulated that strategic management plays a vital role for the organization to make profit, success, survival and growth. The findings also reveal that the strategic management of AKTC and PMT has a strong effect on their market share, as the result revealed that strategic management was positive and statistically significant at 1% level for both transport firms. This confirms the findings of Dauda *et al.* (2010) that observed that the influence of strategic management has contributed immensely for the corporate performance and also enhance organizational market share Furthermore, the finding from the correlation coefficient analysis shows a strong relationship between strategic management and the productivity of both AKTC and PMT, with that of PMT being stronger.

5.2 Conclusion

This study revealed that strategic management has effect on profitability and market share of the understudied firms and also it has a very strong correlation with the productivity of the firms. It is therefore concluded that strategic management affects the organizational growth of AKTC and PMT.

5.3 Recommendations

Based on the findings of the research, the following recommendations were suggested by the researcher.

1. Management of both AKTC and PMT, inclusive of other transport firms should continuously maintain, sustain and review/improve (if need be) their strategic management practices, since it is indispensable for organizational growth.
2. Management of AKTC and PMT should continue to improve in their customer service delivery as this has a way of making customers patronize the organization, which will in turn increase their market share.
3. Finally, it is recommended that the organization should incorporate the employees' welfare in their strategic planning and management as it will motivate employees to give their best and in turn will improve productivity of the firms.

REFERENCES

- [1.] Abdulkadir, D. S. (2012). Strategic Human resource management and organizational performance in Nigerian insurance industry: *The impact of organizational climate business intelligence*. *Journal* 5(1), 8-20. Retrieved from [www.saycocatorptive.com.saycouk/BIJ/Journal/Vol5\(1\)/article1.pdf\(4\)](http://www.saycocatorptive.com.saycouk/BIJ/Journal/Vol5(1)/article1.pdf(4)).
- [2.] Adeleke, O. A. (2008). Strategic Management Practice and Corporate Performance. *International Journal of Business and Management*.
- [3.] Adeyemi, S.L. (1992). *Strategic Management in Selected Banks*. An Unpublished Ph.D Thesis.
- [4.] Ainuddin, R. A., Beamish, P. W., Hull and, J. S. and Rouse, M. J. (2007). Resource attributes and firm performance in international joint ventures, *Journal of World business*, Vol 42, pp 47-60.
- [5.] Amitabh, M., Gupta, R. K. and Porter, M. E. (2010). "Research in strategy structure performance construct: Review to trends, paradigms and methodologies. *Journal of Management and organisation*. Vol. 16(5), pp 744-763.
- [6.] Ansoff, H. I. (1984). Strategic Issue Management. *Strategic Management Journal*. 1: 131-148.
- [7.] Askarany, D. and Yazdifar, H. (2012). Strategic management tools and organizational performance, paper presented at session title, research interaction forum 1 in Washington DC seed of innovation. American Accounting Association

- Annual Meeting and conference on teaching and learning Accounting.
[http://aaahg.org/Am2012/abstract.cfm?submissionID=576\(7\)](http://aaahg.org/Am2012/abstract.cfm?submissionID=576(7)).
- [8.] Atiku, S. O., Genty, K. I. and Akinlabe, B. H. (2011). Effect of electronic banking on employees' job security in Nigeria, *European Journal of Humanities and Social Sciences* 4(2) 68-84.
- [9.] Barney, J. B. (1995). Looking inside for competitive advantage, *Academy of Management Executive*. Vol 9, No 4. Pp 49-61.
- [10.] Boone, T. and Burtz, D. (2011). Contemporary marketing. Marketing plan edition, engage learning, Manson, USA.
- [11.] Boyd, B. K., Gove, B., and Hitt, M. A. (2005). "Construct measurement in strategic management research: Illusion or reality". *Strategic management Journal*, 26: 239-257.
- [12.] Chen, G. and Klimoski, R. J. (2013). "The impact of expectation on newcomer performance in teams as mediated by work characteristics, social exchanges, and empowerment". *Academy of Management Journal*. 46, pp 591-607.
- [13.] Dauda, Y.A., Akingbade, W.A. and Akinlabi, H.B. (2010). Strategic Management Practice and Corporate Performance of Selected Small Business Enterprises in Lagos Metropolis. *International Journal of Business and Management* Vol. 5 No. 11.
- [14.] David, F. R. (2005). Strategic management: concepts and cases, tenth edition, prentice Hall, Pearson Education International.
- [15.] David, H.H. (2005). The Impact of Strategic Management on Organisational Growth and Development.
- [16.] Dreher, G. F. and Cox Jr, T. H. (2014). "Labour market mobility and cash compensation: The moderating effect of race and gender, *Academy of Management Journal*. Vol 43(5), pp 890-900.
- [17.] Fwaya, O. (2006). Human Resource systems and competitive strategies in hospitality organisational performance. *Unpublished MSc. Thesis* Maseno University, Kisumu.
- [18.] Gichunge, E. M. (2010). The effect of formal strategic management on organizational performance: A study of selected medium sized manufacturing Enterprises in Nairobi, Kenya. Retrieved from [http://www.ku.ac.ke/schools/graduate/images/does/abstracts/2010/june/the_effect_of_formal_strategic_management.pdf\(7\)](http://www.ku.ac.ke/schools/graduate/images/does/abstracts/2010/june/the_effect_of_formal_strategic_management.pdf(7)).
- [19.] Gichunge, E. M. (2010). The effect of formal strategic management on organisational performance. A study of selected medium sized manufacturing enterprises in Nairobi, Kenya, Retrieved from <http://www.ku.ac.ke/schools/graduate/images/stories/docs/abstracts/2010/june/theeffectsofomalstrategicmanagement.pdf>.
- [20.] Gichunge, E.M. (2006). The Effect of Formal Strategic Management on Organisational Performance: A study of selected medium sized manufacturing enterprises in Nairobi, Kenya.
- [21.] Gordon, M. E. and Fitzgibbons (2015). "Empirical test of the validity of seniority as a factor in staffing decisions, *Journal of Applied psychology*. Pp 311-319.
- [22.] Hollenback, J. R., Williams, C. R. and Klein, H. J. (2013). "An Empirical examination of the Antecedents of commitment to difficult goals. *Journal of Applied Psychology*. Pp. 18-23.
- [23.] Iravo, M. Ongori, J. and Munene, C. (2013). Factors affecting the performance of hotels and restaurants in Kenya. A case of Kisii County. *Interdisciplinary Journal of contemporary Research in Business*. 4(12), 897-928.
- [24.] Ivancevich, J. M. and McMahon, J. T. (1982). "The effects of goal setting, external feedback and self-generated feedback on outcome variables. *A Field Experience Academy of Management Journal*. Pp. 359-72.
- [25.] Ivancevich, J. M. and McMahon (2005). "The effect of goal setting, external feedback and self-generated feedback on outcome variables: A field experiment:" *Academy of Management Journal*, pp, 359-372.
- [26.] Kotler, P., Keller, K. L., Koshy, A and Jha, M. (2014). Marketing management, A South Asian perspective 14 Edition, Pearson hall.
- [27.] Locke, B. A. and Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: *American Psychologist*. Pp. 705-17.
- [28.] Marchington, M. and Wilkinson, A. (2002). People management and development London: CIPD.
- [29.] McNamara, C. (1999). Human Resources Management Retrieved. May 18, 2005, from [http://www.mapnp.org/library/hr_mgmt/hr_mgmt.htm\(03.02.2011\)](http://www.mapnp.org/library/hr_mgmt/hr_mgmt.htm(03.02.2011)).
- [30.] Miles, R. E. and Snow, C. C. (2016). Organizational strategy, structure, and process New York: McGraw-Hill.
- [31.] Muogbo, U. S. (2013). "The impact of strategic management on organizational growth and development (A study of selected manufacturing firms in Anambra state)". *Journal of Business and management*. Vol. 7(1), pp 241 - 32.

- [32.] Nzuve, M. and Nyaega, G. (2011). Application of the Balanced Scorecard in performance measurement at Essar Telecom Kenya Limited. *Unpublished MBA Project*. University of Nairobi.
- [33.] Odihiambo, O. (2009). Implementation of Performance Contracting in Kenya. *International Public Management Review*: 10(2), 60-84.
- [34.] Olatokun, W. M. and Abinedion, L. J. (2009). The adoption of automatic teller machine in Nigeria: An application of the theory of diffusion of innovation, issues in information technology vol 6(9), pp 373-393.
- [35.] Omoti (2001). *The Future of Oil Industry in Africa and Strategies for Development: The Nigeria Situation*. Paper Prepared for the African Development Bank (ADB) workshop on the Future of Palm Industry in Africa and Strategies for Development, Cote D'Ivoire
- [36.] Porter, M. E. and Kramer, M. R. (2006). Strategy and society. The link between competitive advantage and corporate social responsibility: Harvard Business Review.
- [37.] Raduan, C. R. Jegak, U. Haslinda, A. and Alimin, I. I. (2009). Management strategic, management theories and linkage with organizational competitive advantage from the resource-Based view. *European Journal of Social Sciences*. 11(3), 402-418.
- [38.] Robbins, S. P. and Judge, T. A. (2007). *Organisational Behaviour* 12th edition Pearson prentice Hall, upper saddle River, New Jersey.
- [39.] Sharabati, A.A. and Fuqaha, S.J. (2013). *Impact of Strategic Management on the Jordanian Pharmaceuticals Manufacturing Organisation Business Performance*. *International Review of Management and Business Research* Vol. 3 Issue 2.
- [40.] Sharplin, E. N. (2006). "Strategic Management" (New York McGraw-Hill) p. 6
- [41.] Thompson, A.A., Jr, and Strickland, A.J. (2003). "Strategic Management: Concepts and Case". Illinois: Home wood.
- [42.] Umar, K.A. (2005). The Impact of Strategic Management on Mergers and Acquisitions in a Developing Economy: A Case study of Nestle and Lever Brothers Plc. *Unpublished Master Thesis Department of Business Administration, Ahmadu Vellore University Zaria*.
- [43.] Waiganjo, E. Mukulu, E. and Khariri, J. (2012). relationship between Strategic Human Resource Management and Firm Performance of Kenya's Corporate Organisations. *International Journal of Humanities and Social Science*. 2(10), 62-70.
- [44.] Zainal, A. M. (2005). *Pengurusan strategic siripengurus and an petadbiranutusan; utsan publications and distributors* 5th Bhd, Kuala Lumpur (5).