CMU Academy Journal of Management and Business Education Journal Homepage: https://cmu-my.com/cmu-academy-journal-of-management-and-business-education

Influence of Competition Orientation Strategies on Performance of Small-Scale Enterprise in Nasarawa State, Nigeria

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To cite This Article: Alhaji, A. A., Adamu, I., & Bello, M. A. (2023). Influence of Competition Orientation Strategies on Performance of Small-Scale Enterprise in Nasarawa State, Nigeria. *CMU Academy Journal of Management and Business Education*, 2(2), 1–7. https://doi.org/10.53797/cjmbe.v2i2.1.2023

Abstract: The study determined the Influence of Competition Orientation Strategies on Performance of Small-Scale Enterprise in Nasarawa State, Nigeria" the study was guided by six specific objectives, six research questions were formulated and six null hypotheses were raised. The population of the study was 631 proprietors of Small-Scale Enterprises in Nasarawa state. The study used the entire population for the study. A Structured questionnaire was employed for data collection. Two experts validated the instrument, and it was pilot tested in Makurdi, Benue state using 40 proprietors of Small-Scale Enterprises. The instrument yields a Cronbach's alpha reliability coefficient of 0.83. Five research assistants assisted the researchers in the data collection using direct delivery approach. The data collected were analyzed using Statistics Package of Social Science (SPSS), 25 to mean scores and standard deviations to answer the research questions. Simple Logistic Regression was employed in the test of research null hypotheses at 0.05 level of significance. The study revealed that competitors' orientation strategies significantly influence the financial performance, employee performance, performance review, success, customers' loyalty, and customers' satisfaction with the service of small-scale enterprise in Nasarawa state. It was concluded that effective adoption of Competition Strategies will go along was to boost the performance of Small-Scale Business in Nasarawa state. Based on the findings, the study recommended among others that proprietors of small-scale enterprises in Nasarawa state should integrate effective competition strategies that will enable them to compete with other small-scale markets across the globe.

Keywords: Competition, Orientation, Strategies, Performance, Enterprise

1. Introduction

The contributions of SMEs as the driving force of economic development and growth cannot be overemphasized. Mohammed (2020) opined that SMEs is a global instrument of economic growth and development of both developed and developing countries. The author maintained that the enormous importance of SMEs cut across agriculture, manufacturing, commerce, and industry services. Equally, Idahosa (2020) reported that SMEs is the global building block for industrialization and internally generated revenue. The author maintained that, SMEs contribute over 55% of gross domestic product (GDP) and over 65% of total employment in developed economies and it also plays a significant role by contributing 60% of GDP and over 70% of total employment in developing economies. The latest report by SMEDAN (2020) indicates Nigeria's SMEs contribute nearly 50% of the country's GDP and account for over 80% of employment in the country. No doubt, the sector is pivotal to Nigeria's growth including reducing poverty levels.

Despites the importance of SMEs, studies have shown that there is high mortality rate in the sector. The study conducted by SMEDAN (2020) reported that, about 70 percent of small enterprises in Nigeria go out of business within the first three years of operation. Anas, Adamu and Mohammed (2020) reported that less than 5% of SMEs in Nigeria do survive beyond 5 years of its operation. What could be the cause of the unwelcome situation? Empirical evidences have attributed the mortality rate of SMEs to many factors. For instance, study conducted by Akande (2011) attributed the high mortality rate of SMEs to inadequate managerial, leadership, and marketing skill needed for owner's competitive

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business ventures. The author stressed most of proprietors of SMES in Nigeria lack requisite competitive scale of SMEs growth and development. Similarly, Alhaji and Muharram (2019) reported that SMEs failed due to inadequate managerial, leadership, and accounting skills needed for competitive advantage. Abdullahi, Kunya, Bustani and Usman, (2019) opined that the underlying constraints that affect SMEs include lack of finance, lack of human resource capabilities, lack of performance review and lack of technological capabilities to competitive favorably with both at the domestic and international terrain. Similarly, Recia (2016) opined that, the rising globalization, rapid technological development due to stronger competitive pressure, rapid changes in the market and more demanding customers, irregular regulations, impulsive tax, has made it much more difficult for SMEs in developing countries to gain competitive advantage. The study of Mohammed (2020) revealed that the performance of SMEs in Nasarawa state is relatively low due to lack of combination of growth strategies and uncertainties that inhibit their success. This is supported by the to the work of Adamu (2020) which revealed that competitive strategy (CPS) has effect on performance of Small scale enterprise s in North Central Nigeria.

To address this problem, Anas, Adamu and Mohammed (2019) reported that, proprietors and management of SMEs need to learn the storms of competition that is needed in today's market forces and structure. The authors maintained that, ability of is SMES adopting appropriate financial strategies, distinct product features, performance review, customer loyalty and well packaged value will help to address the problem of SMEs in Nigeria. According to Gbolagade *et al*, the design and implementation of these strategies must be consider as important components in the firm's management process. Mohammed (2020) maintained that, every business that adoption of unique strategies that distinguish it from other firms will greatly influence its performance operations. These therefore suggest that the growth and development of every business depends on strategies adopted. It is based on this, that the researchers intend to determine the influence of competition orientation strategies on performance of small-scale enterprise in Nasarawa state. Specifically, the study intends to:

- i. Determine the extent to which competitors' orientation strategies influence financial performance of small scale enterprise in Nasarawa state.
- ii. Determine the extent to which competitors' orientation strategies influence employee performance of small scale enterprise in Nasarawa state.
- iii. determine the extent to which competitors' orientation strategies influence performance review of small scale enterprise in Nasarawa state.
- iv. determine the extent to which competitors' orientation strategies influence the success of small scale enterprise in Nasarawa state.
- v. determine the extent to which competitors' orientation strategies influence customers' loyalty to small scale enterprise in Nasarawa state.
- vi. determine the extent to which competitors' orientation strategies influence customers' satisfaction with the service of small-scale enterprise in Nasarawa state.

2. Research Hypotheses

The following hypotheses were raised and tested at 0.05 level of significant.

- H0₁: Competitors' orientation strategies have no significant influence on the financial performance of small scale enterprise in Nasarawa state.
- H0₂: Competitors' orientation strategies have no significant influence on employees' performance of small scale enterprise in Nasarawa state.
- H03 Competitors' orientation strategies have no significant influence on the performance review of small scale enterprise in Nasarawa state,
- H04: Competitors' orientation strategies have no significant influence on success of small and medium scale enterprise in Nasarawa state.
- H05: Competitors' orientation strategies have no significant influence on the customer loyalty of small scale enterprise in Nasarawa state.
- H0₆: Competitors' orientation strategies have no significant influence on customers' satisfaction with the service of small-scale enterprise.

3. Research Methodology

For the purpose of this study, descriptive survey design was employed. According to Adamu and Kabir (2019) descriptive survey research is devoted to the gathering of information about prevailing conditions or situations for the purpose of description and interpretation. The design was considered appropriate because it enabled the researchers to use questionnaire and elicit data from the sample of the study which were used to answer the research questions and hypotheses raised in the study.

The population of this study is made up of 482 proprietors and 239 managers of four hundred and thirteen (481) SMEs that registered with SMEDAN in Nasarawa state. The study adopted Total Population Sample (TPS) Technique

were the entire population of 631 management staff of four hundred and thirteen (481) SMEs that registered with SMEDAN in Nasarawa state was used for the study.

The instrument for the data collection was structured questionnaire titled Competitors' orientation Strategies (ICOS). The instrument was adopted from previous study as agreed by Creswell (2012) who suggests that a researcher can adopt instrument from the prior studies relevant to the current research and as the easiest approach. Based on these, the instrument was adopted from previous studies of Anas, Adamu and Mohammed (2020); Kanu, Ezeji and Chukwuma (2014). The instrument was structured 4-point rating scale (Strongly Agreed 4 points, Agreed, 3 points; Disagreed, 2 points and Strongly Disagreed, 1 point).

In order to ensure that the instrument, measures correctly the subject matter of this study, the questionnaire items was given to two (2) experts from Federal university Lafia and Abubakar Tafawa Balewa University Bauchi for content and construct validity. The experts vetted the instrument for the purpose of determining its face validity. Their observations, suggestions and corrections were used to arrive at final draft of the questionnaire items. The validated instrument was pilot tested. The data collected from pilot study were entered into Statistical Package of Social Science (SPSS, 23) for reliability test. Cronbach's alpha was used in the actual study to determine the internal consistency of the instrument. A reliability coefficient of 0.83 was obtained. The instrument was adjudged to be reliable based on the suggestion of Field (2009) who opined that a survey instrument with a reliability of ≥ 0.70 should be consider reliable for a research work.

Five researcher assistants assisted the researchers in the data collection. Face-to-face method in the data collection. The method entailed handing copy of questionnaire to the respondent and being physically present as they complete it. This face to face approach facilitate the data collection and enabled he researchers to retrieved number of completed questionnaire (Adamu & Kabir, 2019). The exercise lasted for 5 weeks.

Data collected were entered into Statistical Package for Social Science (SPSS), 25. The package was used to run Simple Logistic Regression to test all the null hypotheses at 0.05 level of significance using Statistical Packages of Social Sciences (SPSS) 25. In the analysis, when the p-value is found to be less or equal to the alpha value (p<0.05), the hypothesis was rejected and when the p-value is found to be greater than the alpha value ($p\geq0.05$), the hypothesis was retained. The SPSS out is as presented in the appendix

Results of the Study

The results of hypotheses are as presented in Tables 1 to 6.

Research Hypothesis One

Competitors' orientation strategies have no significant influence on the financial performance of small scale enterprise in Nasarawa state.

The finding of null hypothesis one presented in Table 1 revealed the Standardized Coefficients Beta value of .912 with t=51.571. The R=-.912 with R-square of .831 and Adjusted R Square .831. The R-Square of .831 suggested that Competitors' Orientation Strategies (COS) has 83.1% influence on Financial Performance of Small scale enterprise (FPSSE) in Nasarawa state. The p=.000<0.05 level of significance further suggested that the influence of CO on FPSSE was significant. The hypothesis was rejected.

 Table 1: Linear Regression analysis on influence of competitors' orientation strategies on financial performance of small-scale enterprise in Nasarawa state.

Std. Coeff, Beta	Т	R	R ²	Adj. R ²	p-value	Decision
.912	51.571	.912 ^a	.831	.831	.000	H01 rejected

a. Dependent Variable: FPSSE

b. Predictors: (Constant), COS

c. Source Fieldwork, 2022

Research Hypothesis Two

Competitors' orientation strategies have no significant influence on employees' performance in small scale enterprise in Nasarawa state.

The result of test of hypothesis two in Table 2 disclosed .928 for Standardized Coefficients Beta with t-value of 57.854. The R-value stood at .928 with R-Square of .861 and Adjusted R Square of .861. The R=.861 indicated that COS has 86.1% influence on Employees' Performance in Small scale enterprise (EPSSE). The *p-value* obtained was less than the level of significance (.000<0.05), the result indicated that the influence of COS on EPSSE was significance. The hypothesis was not retained.

 Table 2: Linear Regression Result on the Influence of Competitors' orientation strategies on employees' performance of small-scale enterprise in Nasarawa state

Std. Coeff, Beta	Т	R	R ²	Adj. R ²	p-value	Decision
.928	57.854	.928ª	.861	.861	.000	H0 ₂ Rejected

a. Dependent Variable: EPSSE

b. Predictors: (Constant), COS

c. Source Fieldwork, 2022

Research Hypothesis Three

Competitors' orientation strategies have no significant influence on the performance review of small scale enterprise in Nasarawa state.

The regression analysis used to test null hypothesis three documented in Table 3 disclosed the Standardized Coefficients Beta value of .914 with the t-value of 52.264. The R=.914 and R-square=.835 with Adjusted R-vale of .835. The obtained .845 R-square suggested that COS has 83.5% influence on Performance Review of Small scale enterprise (PRSSE). The p=.000<0.05 further indicated that the influence of COS on PRSSE in Nasarawa state was significant. The hypothesis was rejected.

 Table 3: Linear Regression Result on the Influence of Competitors' orientation strategies on performance review of small-scale enterprise in Nasarawa state

Std. Coeff, Beta	Т	R	\mathbb{R}^2	Adj. R ²	p-value	Decision
.914	52.264	.914ª	.835	.835	.000	H0 ₃ Rejected

a. Dependent Variable: PRSSE

b. Predictors: (Constant), COS

c. Source Fieldwork, 2022

Research Hypothesis Four

Competitors' orientation strategies have no significant influence on success of small scale enterprise in Nasarawa state. The regression analysis on the test of hypothesis four in Table 4 disclosed the Standardized Coefficients Beta coefficient of .867 with t=40.339. The R=.867 with R-square of .751 and Adjusted R Square of .751. The r=.751 indicated that COS has 75.1% on Success of small scale enterprise (SSSE) in Nasarawa state. This is also applicable with the p=.000<0.05 which suggested the influence of COS on SSMBSE was significance. The null hypothesis was not retained **Table 4:** Linear Regression Result on the Influence of Competitors' orientation strategies on Success

of small-scale enterprise in Nasarawa state

Std. Coeff, Beta	Т	R	\mathbb{R}^2	Adj. R ²	p-value	Decision
.867	40.339	.867ª	.751	.751	.000	H04 Rejected

a. Dependent Variable: SSSE

b. Predictors: (Constant), COS

c. Source Fieldwork, 2022

Research Hypothesis Five

Competitors' orientation strategies have no significant influence on the customer loyalty in small scale enterprise in Nasarawa state.

The test of research hypothesis five documented in Table 5 disclosed the Standardized Coefficients Beta of .870 with t=41.036. The R-value stood at .870 with R-square was .758 and Adjusted R-Square of .757. The R=.758 suggested that COS has 75.8% influence on Customers loyalty of small scale enterprise (CLSSE) in Nasarawa state. This can also be seen in the *p*-value of .0000<0.05 obtained which suggested that COS has significant influence on CLSSE in Nasarawa state. The hypothesis was therefore rejected.

 Table 5: Linear Regression Result on the Influence of Competitors' orientation strategies on Customers loyalty of small-scale enterprise in Nasarawa state

Std. Coeff, Beta	Т	R	\mathbb{R}^2	Adj. R ²	p-value	Decision
.870	41.036	.870ª	.758	.757	.000	H0 ₅ Rejected

a. Dependent Variable: CLSSE

b. Predictors: (Constant), COS

c. Source Fieldwork, 2022

Research Hypothesis Six

Competitors' orientation strategies have no significant influence on customers' satisfaction with the service of small scale enterprise.

The regression analysis in Table 6 revealed the Standardized Coefficients Beta value of .852 with t-value of 37.839. The R= .852 with T-Square of .727 and Adjusted R-Square of .76. The R-square value of .727 suggests that COS 72. 7% influence on Customers' satisfaction with small scale enterprise (CSSSE) in Nasarawa state. The *p-value* which was found to be less than 0.05 level of significance indicated that the influence of COS on CSSMBE in Nasarawa State was significant. The null hypothesis was therefore not retained.

Table 6: Linear Regression Result on the Influence of Competitors' orientation strategies on customers' satisfaction with small scale enterprise in Nasarawa state

Std. Coeff, Beta	Т	R	\mathbb{R}^2	Adj. R ²	p-value	Decision
.852	37.839	.852ª	.727	.726	.000	H0 ₆ Rejected

a. Dependent Variable: CSSSB

b. Predictors: (Constant), COS

c. Source Fieldwork, 2022

4. Discussion of the Findings

The test of corresponding null hypothesis further shows that the influence of competitors' orientation strategies on financial performance of small and medium scale business was significant. The outcome of the result agrees with that of Mohammed (2020) which disclosed that financial performance of SMEs is low and there is high rate of business failure in the Nasarawa state as a result of adopting wrong competitive orientation. The studies of Mohammed (2020) and Adamu (2020) reported that SMEs financial performance relied on competitive orientation strategies, business diversification and business location among others.

The outcome of null hypothesis two indicated that competitors' orientation strategies has significant influence on employee performance in small scale enterprise in Nasarawa state. The finding agreed with the finding of Moriam, Mukaila, and Hameedat (2015) reported that there is positive relationship between Small scale enterprises and strategic management variables. The study further shows that SMEs that SMEs that adopted effective strategies by investing in human capital development and will help to robust their employee performance for realization of dsired objectives and win the confidence and trust of the employees. Other challenges facing SMEs in Nigeria includes lack of managerial skills, lack of finance management and ineffective robust competitive strategies (Abeh, 2017).

The finding of null hypothesis three shows that competitors' orientation strategies has significant influence performance review of small scale enterprise in Nasarawa state. The result affirmed the study conducted by Anas, Adamu and Mohammed (2019) which indicated that proprietors and management of SMEs need to learn the storms of competition that is needed in today's market forces and structure to improve their performance review Mohammed (2020) maintained that, every business that adoption of unique strategies that distinguish it from other firms will greatly influence its performance operations. The study of Mohammed (2020) revealed that the performance of SMEs in Nasarawa state is relatively low due to lack of combination of growth strategies and uncertainties that inhibit their success and improve performance in the business.

The aftermath of null hypothesis five indicated that competitors' orientation strategies has influence the success of small scale enterprise in Nasarawa state. This was also applicable. The result of the study was found to be in line with that of Gale and Brown (2013) who reported that success of small business depends on their ability to spur innovation and effective strategies. Additionally, Wade (2014) opined that the performance of small and medium scale businesses to some extent is subject to their competitive strategies. Factors that affect business performance and success according to Obokoh and Asaolu (2013) include lack of basic infrastructure, the absence of industrial, inability to integrate competitive strategies and private sector, the dominance of foreign-based multinational companies.

The result of null hypothesis five shows that competitors' orientation strategies has significant influence customers' loyalty to small scale enterprise in Nasarawa state. Similar result was reported by Adeyemi and Abiodun (2014) who reported that lack of competitor strategies, government support for micro, small and medium enterprises was responsible for the serious problems facing the entrepreneurship sector. Several researchers have identified many factors that affect small business failure (Akinola & Iordoo, 2013; Obokoh & Asaolu, 2012). Shehu et al. (2013) identified some challenges that affect small business growth as poor knowledge of technology use, weak business planning strategies, poor record keeping and lack of management skills, poor marketing strategy, lack of infrastructure, epileptic power supply, and corruption.

The finding of research null hypothesis six shows that the influence of competitors' orientation strategies on customers' satisfaction with the service of small scale enterprise in Nasarawa state was significant. The result further confirmed that the earlier report of Agwu, and Emeti, (2014) who opined that effective integration competitive strategies in Small scale enterprise s (SMEs) will help to create jobs, customer loyalty, promote economic growth, give opportunities to people with little income but with wealth of experience to start and manage their businesses, promote import substitution, stimulate the linking together of all the sectors of the economy and discourage rural-urban drift. In a study by Ogenyi (2020) revealed lack of enabling environment, competitive advantages and effective management of SMEs affects its role on contributing positively and significantly to consumer satisfaction, internally generated revenue and employment creation in the state.

5. Conclusion

The outcome of the study disclosed that Competition orientation strategies have positive and significant influence on the performance of Small Scale Enterprises in Nasarawa state. The outcome therefore suggested that effective competition orientation strategies will help to improve the success and sustainability of Small Scale Business in Nasarawa state. It is therefore concluded that effective adoption of Competition Strategies will go along was to boost the performance of Small-Scale Business in Nasarawa state, consequently, the general complain of the mortality rate of Small-Scale Businesses in Nasarawa state will be eliminated or reduced drastically.

6. **Recommendations**

Based on the findings of the study, it was recommended that:

i. proprietors of small-scale enterprises in Nasarawa state should integrate effective competition strategies that will enable them to compete with other small-scale markets across the globe.

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