

## Managerial Strategies and Organizational Performance: An Econometric Approach

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### Abstract

*This study examined managerial strategies and organizational performance. To achieve the purpose of this study, three research objectives were made to guide the study. Expost facto design was adopted for the study. The population size comprised of six hundred and ninety (690) permanent staff. Taro Yamane formula was used to determine the sample size of two hundred and fifty-three (253) staff. The main instrument used for the data collection was questionnaire and 224 copies of questionnaire were retrieved back from respondents. The questionnaire was validated by an expert from Department of Business management, Cross River University of Technology. Data collected were analysed using tables and figures, while the hypotheses were tested using Pearson Product Moment Correlation coefficient. All the hypotheses were tested at .05 level of significance. The study found that communication skills, staff training, and decision making had significant relationship with organizational performance in the selected government parastatals in Calabar. The study recommended among others that government parastatals should allow workers communicate effectively if workers' productivity must increase.*

**Keywords:** *Managerial strategies, communication skills, staff training, decision-making approach, organizational performance.*

### Introduction

The primary purpose of management at any level of organization is to plan, direct, organize and ensure the success of a business at various levels through a number of methods including customers' satisfaction and employee training. To facilitate the process of management skills, managers should apply appropriate managerial strategies that best suit specific objectives (Juliet & Bashiru, 2014). Management strategy is an established concept used by managers in everyday administration towards the achievement of set goals and objectives of a given organization. Thus, there is a growing universal awareness and appreciation that this concept (managerial strategies) is a prerequisite element for the survival of organizations, be it private or public.

Managerial strategies according to some scholars simply refer to the methods, techniques, procedures and processes that managers use in the workplace. In this era of globalization, each

change demands higher productive quality and higher services. Strategic management has been considered as the most important practice which distinguishes one from another. Strategic management is the key process to achieving organizational vision, mission, and objective. Strategy determines the direction and scope of an organization over the long term. For them, strategy should determine how resources should be configured to meet the needs of markets and stakeholders.

Michael Porter, a strategy expert and professor at Harvard Business School, emphasizes the need for strategy to define and communicate an organization's unique position, and says that it should determine how organizational resources, skills, and competencies should be combined to create competitive advantage. While there will always be some evolved element of strategy, planning for success in the marketplace is important. This means organizations need to take full advantage of the opportunities open to them, and anticipate and prepare for the future at all levels. For instance, many successful and productive organizations have a corporate strategy that supports their vision and mission. Each business unit within the organization then has a business unit strategy, which its leaders use to determine how they will compete in their individual markets.

Strategy has been studied for years by business leaders and by business theorists. Yet, there is no definitive answer about what strategy really is. One reason for this is that people think about strategy in different ways. For instance, some people believe that you must analyze the present carefully, anticipate changes in your market or industry, and, from this, plan how you'll succeed in the future. Meanwhile, others think that the future is just too difficult to predict, and they prefer to evolve their strategies organically. Strategy determines the direction and scope of an organization over the long term, and they say that it should determine how resources should be configured to meet the needs of markets and stakeholders.”

Beheshtifar and Nazarian (2013) noted employees who do not feel connected exhibited dissatisfaction through withdrawal behaviors such as a reduction in productivity, absenteeism, low employee morale, and high turnover rates. The general business problem in this study was that employee withdrawal behaviors can hinder an organization's profits and productivity. This is because there are variables that related to workers productivity. The specific business problem was that some organizational managements lack strategies to improve employee's productivity in Calabar.

## **Literature review**

### **Concept of managerial strategy**

Management strategy is an established concept used by managers in everyday administration towards the achievement of set goals and objectives of a given organisation. Managerial strategies are the methods, techniques, procedures and processes that a manager uses in the workplace. Eteng (2017) defined management strategies as the management of an organisation's resource to achieve its goals and objectives. Strategic management involves setting objectives, analyzing the competitive environment, analyzing the internal organization, evaluating strategies, and ensuring that management rolls out the strategies across the organization.

Management strategies are divided into several schools of thought. A prescriptive approach to strategic management outlines how strategies should be developed, while a descriptive approach focuses on how strategies should be put in practice. These schools differ on whether strategies are developed through an analytic process, in which all threats and opportunities are accounted for, or are more like general guiding principles to be applied. Greg (2017) defined management strategies as the managing of an organisation's resources, analyzing internal and external forces, and developing strategies to realise goals and objectives. The aim of management strategy is to ensure that organization goals are supported and achieved by developing and stimulating a culture of productivity. Consequently, managerial strategies extends to internal and external communication practice as well as to tracking, which ensures that the company meets goals as defined in its strategic management plan.

### **Managerial strategies and organizational performance**

Managerial strategies have a significant relationship with productivity (Darvish, 2018). According to Jun, Cai, and Shin (2016), organizations working without a strategy resemble ships going around in circles. They have no place to go and become like a tramp. For this reason, a discussion on strategic management becomes essential. Strategic management enables firms move towards strategic alignment of the firms' employees with the firms' organizational goals and vision. Strategic management refers to a set of actions, and managerial decisions, which influence a firms' long-term performance. Strategy formulation, environmental scanning, strategy implementation, evaluation, and strategy control are essential steps to be adopted in strategic management.

Strategic management is a continuous process that controls, and evaluates business, assesses its competitors, and sets strategies to face present competition. Regardless of an organizations size and scale, a well-adopted strategic plan has to be adopted by all firms to survive in a competitive market (Wheelen & Hunger, 2016). The four basic elements involved in making an organizational strategy are, scanning the environment, formulating strategy, implementing strategy and evaluating it (Wheelen & Hunger, 2016). According to Lebo and Edema (2019), organization is immune to change in order to meet local and global needs. The strategy best suited for increasing firm level productivity has to be assessed after a complete environmental or market analysis. The strategies decided upon have to be implemented, and after the results are examined, they have to be altered if required.

Through strategic management a firm can be made more proactive. Effective strategies can be formulated by adopting a logical, rational, and systematic approach. Strategic management serves as a tool for motivating employees and managers' in achieving corporate goals and objectives, by increasing their dedication to work. Employees gain an understanding of what the organization is doing and how it is being done through proper communication. Through increased employee engagement, they become more committed and hard working.

Productivity has been defined in many different ways. Mali (2018) sees it as: the measure of how well resources are brought together in organizations and utilized for accomplishing a set of results. It is the reaching the highest level of performance with the least expenditure of resources. Illustratively, Nwachukwu (2020) says that productivity often seen as total output/ total input. Thus the productivity of an employee is seen as the relationship between unit of labour input and units of output. Therefore, the effectiveness of the use of the factors of

production (land, capital, labour and entrepreneur) to produce goods and services is commonly referred to as productivity.

Productivity is the output resulting from a given resource input at a given time. Above all, it relates to effective use of resources, competitiveness in the market place and strategy that the organization used in pursuing its goods. Productivity is maximization of utilizing the resources, human force and schemes scientifically to decrease expenses and increase employees, managers and consumers' satisfaction. Other definitions consider human force productivity as appropriate maximized utilization of human force towards goals of the organization with the lowest time and minimum expense. According to the National Productivity Organization in Iran, productivity is an intellectual attitude towards work and life. This is similar to a culture that its purpose is to make activities more intelligent for a better and excellent life. Productivity is achieving maximum possible profit from the labor force, power, talent and human force skill, land, machine, money, equipment's of time, place, etc to enhance welfare of the society so that increasing of it is considered by the clear-sighted in politics, management and economy as a necessity towards enhancement of humans' living standard and society (Darvish, 2018).

### **Theoretical review**

That notwithstanding, this work is anchored on two theories. These are:

#### **Herzberg's two factor theory**

The Herzberg's two factor theory of 1959 was identified. Herzberg (1959) developed the two factor theory of managerial strategies and job satisfaction. The two factors are referred to by various names. These are dissatisfying - satisfiers; the hygiene motivator; or the extrinsic-intrinsic factor. The two-factor theory grew out of a research conducted by Herzberg and his associates (1959) on a group of 200 accountants and engineers (who worked in different companies in United States of America) in which they sought to examine the relationship between job satisfaction and staff productivity. The researchers using a critical incidents procedure, asked their respondents to recall a time when each felt exceptionally good about his or her job and times when each felt exceptionally bad, and then to describe the events associated with these feelings.

From the result of the analysis, two distinct kinds of factors emerged satisfiers and dissatisfies. This means that the factors involved in producing job satisfaction (and managerial strategies) are separate and distinct from the factors that lead to job dissatisfaction' (Herzberg, 1998). The authors identified two categories of factors or rewards - those that are related to job satisfaction and those that are related to job dissatisfaction. Those factors that are related to satisfaction or positive feeling about the job are called motivators or satisfiers. This is because these factors are related to the nature of the work and the content of the job itself. They are sometimes referred to as intrinsic factors.

#### **Contingency theory**

Contingency theory was propounded by M. Luthan (1976). He noted that the traditional approaches to management were not necessarily wrong, but today they are no longer adequate. The needed breakthrough for management theory and practice can be found in a contingency approach. The contingency theory offers numerous contributions, which provide the basis for comparison with other management practices. Through its multivariate analysis it has identified major contingencies. The approach provides practical direction in the development

of a unifying “theory of management”. The theory provides information about relevant changes taking place in the external environment of an organization.

Contingency theory builds on the diagnostic qualities of the systems theory, approach, in order to determine the most appropriate organizational design and management style for a given set of circumstances. Unlike the classical and human relations approach to management practice. The contingency approach does not turn its face against earlier approaches, but adapts them as part of a “mix” which could be applied to an organization in a particular circumstance. The relevance of this theory to the study is that it helps to build the idea of organizations to put up a *Ubuntu* management philosophy contrary to the traditional African values of togetherness, compassion and respect.

### **Communication**

Communication has significant relationship with workers’ productivity. With the rapid advances in mobile technologies, workers are becoming increasingly accustomed to accessing rich information anywhere and anytime. This rise in digital information may have negative impact on workers’ productivity which lacks the connectivity and richness” of mobile technologies. Leonvova, Legky and Prasolov (2021), with similar opinions have defined communication as the transmission of ideas from one person to another. Some looked at communication as a three- dimensional process involving;

1. The transmission of message from the sender to a target audience.
2. The reception and comprehension of the transmitted matter
3. The acceptance or rejection of the transmitted matter.

### **Staff training**

Staff training has significant relationship with workers’ productivity. Training is the acquisition of skills for better job performance. Oshati *et al.*, (2019) gave the objectives of training to be the following:

1. To strengthen the organizational culture by developing the understanding or ways to do things in the organizations.
2. To promote a feeling of commitment and provide for the organization.
3. To assist workers to perform at the optimum level in current jobs.
4. To develop a better understanding of authority structure of the organization.
5. To familiarize recruits with the overall objectives of the organization.
6. To gain a better understanding of the duties, roles and regulation of the organization.

### **Decision making**

Decision making has significant relationship with workers’ productivity. Decision making is the central theme of research, policy and practice in business organization. In contemporary organization, large groups have been widely considered as a source of valuable information and aggregation of individual contributions under certain conditions produces results as valuable as that of an expert. Organisations and government have turned to large groups as sources to help strategic decisions. Studies have been carried out as a means of harnessing information for problem solving and idea, generation, through participation of large number of people (Singh, 2019).

The collective participative decision - making style indicates that a leader must involve the member of the organization. The level of involvement includes the members sharing information, ideas and perceptions with the leader. According to Karel (2021), collective participative decision making (sometime referred) to as industrial democracy or co-determination) is an alternative approach to employee participation. Collective participative decision making is an institutionalized involvement of employee representative in decisions that are relevant to labour-management relations (Kempfer, 2018).

### **Empirical review**

Studies were conducted on this topic in Nigeria and other countries. Akpan (2015) conducted a study on managerial strategies and workers' productivity in Business enterprises in Calabar Municipality, Cross River State. The study describes managerial strategy as an established concept used by managers in everyday administration. The study was guided by four objectives, four research questions and a corresponding hypotheses formulated to guide the study. Expost facto design was adopted for the study. The population comprised 240 permanent staff out of which 150 were selected as sample through simple random sampling method. Data for the study were analysed using frequencies and percentages. While hypotheses were tested using Pearson's Product Moment Correlation Analysis. All the hypotheses were tested at .05 level of significance. The study found that decision making financial incentives, staff training and effective communication had significant relationship with staff productivity in business enterprises in Calabar municipality. The study recommended that management should allow for workers participation in decision making, provide adequate financial incentives, to encourage staff training and communication effectively with workers if workers productivity must increase.

Sajuyiighe, Olaoye & Adeyemi, (2013) in a conducted study on the impact of managerial strategies on employees' productivity in selected manufacturing companies in Ibadan, Oyo State, Nigeria. The study describes managerial strategy as one of the most important of organization that helps management to retain efficient and experience workforce in an organization. Structured questionnaire was used to collect data from one hundred participants through purposive sampling method and data were analysed using multiple regression analysis with the aid of statistical package for social science (SPSS) version 16. Result showed that managerial strategy dimensions jointly predict employee productivity, which account for 71 percent variance of productivity. Subsequently, recommendations were made to the management of organisations that they should build up the strategies among employees to achieve both individual and organizational objectives.

Eteng (2016) conducted a study on the impact of management strategies on organizational productivity in Flour Mills Plc, Calabar. The study is based on primary data collection from one hundred and forty employees of Flour Mills in Calabar. A self- designed questionnaire was used for data collection. Data was analysed using the techniques of rank correlation coefficient and multiple regression analysis. All the findings were tested at 0.01 and 0.05 level of significance. The result concluded that staff training, decision-making, communication skills and financial incentives had significant influence on organizational productivity.

Bahrain (2020) that aimed to test the impact of managerial strategies and on workers' productivity. Data were sourced using questionnaire instrument. The study adopted regression

analysis. The result has a good statistically significant impact on workers' productivity. The results of the study also showed a medium statistically significant impact of managerial strategies on productivity. Key findings provided empirical evidence about the involvement of top and line management in planning, the use of environmental screening, and the use of strategy tools and techniques.

Karel (2021) studied managerial strategies and workers' productivity in Czech and Slovak Republic. Managerial strategies is definitely reasonable activity of any company, since enterprises who did prepare detailed strategic document proved in 80 % of observed performance parameters better results than enterprises without written business plan. Further they stated that enterprises who did prepare brief, partial, concise strategic document proved only in 40 % of observed performance parameters better results than enterprises without written business plan, so there is necessary to put impact on proper strategic planning in all significant business areas.

Factor analysis, correlations, and regression techniques were used in order to extract the dimensions of managerial strategies and workers' productivity. Environmental scanning, business mission and vision, formality of strategic plans, evaluation and control, informing sourcing, strategy implementation incentives, employee participation, and time horizons emerged as strategic planning dimensions. Data were analyzed from 200 useable questionnaires that were distributed to managers.

## **Methodology**

### **Research design**

The research design that was used in conducting this study was the survey method. In survey research design, facts are collected through questionnaire, interview and observation which are used for answering research questions (Etuk, 2010). This design was used in this study because it studies the population, by selecting samples chosen from the large population to discover the distribution and inter-relations of variables.

### **Population of the study**

The study population was made up of management and staff of the selected government parastatals in Calabar. The parastatals were Cross River Water Board Limited, Cross River Fire Service Calabar and Vehicle Licencing Office, Calabar. The total number of management and staff was six hundred and ninety (690).

### **Sample size determination**

The Taro Yamane (1967) statistical method was used to arrive at the sample size. This was a simplified formula for calculating sample size since the population was known. It was important to use the Taro Yamane formula to avoid bias. The formula is expressed thus:

$$n = \frac{N}{1+N(e)^2}$$

Where n = Sample size  
N = Population size and  
e = error margin (0.05)  
I = constant

Given

- Population size (N) = 690
- Margin of error (e) = 0.05
- Constant (c) = 1

Substituting the values into the formula

$$n = \frac{690}{1 + 690 (0.0025)}$$

$$n = \frac{690}{1 + 1.725}$$

$$n = \frac{690}{2.725}$$

$$n = 253.2$$

Hence, the approximated sample size of the study is 253.

### **Techniques of data analysis**

The data were analyzed using descriptive statistics like frequencies, percentages and mean and standard deviations to explain the variable characteristics while the Pearson Product Moment Correlation analysis was used to test the hypotheses.

### **Presentation of results**

This section presents the results of statistical analysis of hypotheses directing the study. In doing so, each of the research was first stated in original form. In this section, each of the hypothesis is stated in the null form. The result of data analysis carried to test the hypothesis. Each of the hypothesis was tested at .05 level of significance.

### **Hypothesis one**

H<sub>01</sub>: Communication skills have no significant relationship with organizational performance of selected government parastatals in Calabar

H<sub>A1</sub>: Communication skills have significant relationship with organizational performance of selected government parastatals in Calabar

The independent variable is communication skills while the dependent variable is organizational performance. Pearson's Product Moment Correlation analysis was employed to test this hypothesis. The result of the study presented in Table 1 revealed that the calculated r-value of 0.56 is higher than the critical r-value of .137 at .05 of significance with 222 degree of freedom. With this result, the null hypothesis was rejected. This result therefore means that communication skills have significant relationship with organizational performance of selected government parastatals in Calabar.



TABLE 1

Pearson moment product correlation analysis of the relationship between communication skills and organizational performance (N=224)

Variable	$\sum x$	$\sum x^2$	$\sum xy$	r-value
	$\sum y$	$\sum y^2$		
Communication skills	3217	6296	74712	0.56*
Organizational performance	3091	5462		

\*Significant at .05 level, critical r=137, df=222

### Hypothesis two

H02: Staff training has no significant relationship with organizational performance of selected government parastatals in Calabar.

HA2: Staff training has significant relationship with organizational performance of selected government parastatals in Calabar.

The independent variable is staff training while dependent variable is organizational performance. Pearson's Product Moment Correlation Analysis was employed to test this hypothesis. The result of the analysis is presented in Table 2. The result revealed that the calculated r-value of 0.46 is higher than the critical r-value of .138 at .05 level of significance with 222 degrees of freedom. With this result, the null hypothesis was rejected. This result therefore means that staff training has significant relationship with organizational performance.

TABLE 2

Pearson product moment correlation analysis of the relationship between staff training and organizational performance (N=224)

Variable	$\sum x$	$\sum x^2$	$\sum xy$	r-value
	$\sum y$	$\sum y^2$		
Staff training	3375	6374	73925	0.46*
Organizational performance	3091	5462		

\*Significant at .05 level, critical r=137, df=222

### Hypothesis three

H03: Decision making has no significant relationship with organizational performance of selected government parastatals in Calabar.

HA3: Decision making has significant relationship with organizational performance of selected government parastatals in Calabar.

The independent variable is decision making while dependent variable is organizational performance. Pearson's Product Moment Correlation Analysis was used to test this hypothesis presented in Table 3. The result in Table 3 revealed that r-value of 0.58 is higher than the critical r-value of .137 at .05 level of significance with 222 degree of freedom. With this result,

the null hypothesis was rejected. This result therefore, implies that decision making has significant relationship with organizational performance.

TABLE 3  
Pearson's product moment correlation analysis of the relationship between decision making and organizational performance (N=224)

Variable	$\sum x$ $\sum y$	$\sum x^2$ $\sum y^2$	$\sum xy$	r-value
Decision making	3175	6153	74646	0.58*
Organizational performance	3091	5462		

\*Significant at .05 level, critical  $r=137$ ,  $df=222$

### Summary of findings

Based on the objectives of the study, the following findings were reached:

1. That communication strategy has significant relationship with organizational performance of selected government parastatals in Calabar
2. That staff training has significant relationship with organizational performance of selected government parastatals in Calabar
3. That decision making has significant relationship with organizational performance of selected government parastatals in Calabar

### Conclusion

Based on the findings of the study, the following conclusions were made: Communication strategy has significant relationship with organizational performance of selected government parastatals in Calabar. Staff training has significant relationship with organizational performance of selected government parastatals in Calabar. Decision making has significant relationship with organizational performance of selected government parastatals in Calabar. Managerial strategies are the methods, techniques, procedures and processes that a manager uses in the workplace. Management strategies is the managing of an organisation's resources, analyzing internal and external forces, and developing strategies to realise goals and objectives. The aim of management strategy is to ensure that organization goals are supported and achieved by developing and stimulating a culture of productivity. Consequently, managerial strategies extends to internal and external communication practice as well as to tracking, which ensures that the company meets goals as defined in its strategic management plan.

### Recommendations

Based on the objectives and conclusion of the study, the following recommendations were made;

- i. That government parastatals should allow workers to have effective communicate skills that will improve the performance of the workers.
- ii. That in-service training and development of staff should be done in order to build up capacity for increased staff productivity and provide room for advancement.
- iii. That workers should be allowed to participate actively in decision making of the organization that are relevant to labour-management relations

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