



# Promoting Organizational Performance Through Strategic Management of Selected Commercial Banks in Delta State

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## ABSTRACT

This study examines how strategic management enhances organizational performance in selected commercial banks in Delta State, Nigeria. The key objectives are to assess the impact of strategic planning, resource allocation, and performance evaluation on bank effectiveness. Using a mixed-methods approach, data were collected from 200 bank employees via surveys and 10 senior managers through in-depth interviews. Analysis was conducted using descriptive statistics and thematic analysis. Findings reveal that strategic planning aligns business goals with market opportunities, resource allocation improves efficiency and profitability, and performance evaluation enhances decision-making and operations. Banks that adopt strategic management practices demonstrate higher customer satisfaction, increased market share, and greater profitability. The study recommends that banks prioritize strategic planning, optimize resource allocation, and implement robust performance evaluation systems. Additionally, fostering a culture of continuous strategic improvement and aligning strategies with market trends is essential. This research contributes empirical insights into strategic management's role in banking performance, offering valuable guidance for industry leaders.

Keywords: Strategic Management, Organizational Performance, Commercial Banks, Delta State, Nigeria, Strategic Planning, Resource Allocation, Performance Evaluation

## 1. INTRODUCTION

The banking sector plays a crucial role in facilitating economic growth and development in Nigeria, particularly in Delta State (Olanipekun et al., 2015). Commercial banks, as key players in the financial sector, are expected to contribute significantly to the state's economic development through effective strategic management and organizational performance (Anisman et al., 2023). However, the performance of commercial banks in Delta State has been inconsistent, with some banks struggling to maintain profitability and competitiveness in a rapidly changing business environment (Lucky & Akani, 2017).

Effective strategic management is widely recognized as a key driver of organizational performance in the banking sector. Strategic management involves the formulation and implementation of strategies to achieve organizational goals and objectives (Alabdullah & Naseer, 2023). In the context of commercial banks, strategic management is critical for navigating the complexities of the financial sector, managing risk, and maintaining competitiveness.

Despite the importance of strategic management in the banking sector, many commercial banks in Delta State continue to face challenges in effectively implementing strategic management practices (Olanipekun et al., 2015). These challenges include inadequate strategic planning, poor leadership, and lack of innovation (Anisman et al., 2023). As a result, the performance of commercial banks in Delta State has been suboptimal, hindering their ability to contribute to the economic growth and development of the state.

The banking sector is a key driver of economic growth and development, particularly in Delta State, Nigeria. However, many commercial banks in the region have struggled to maintain consistent profitability and competitiveness due to ineffective strategic management practices. Despite the importance of strategic

management in enhancing organizational performance, several banks in Delta State face significant challenges, including inadequate strategic planning, poor leadership, and a lack of innovation. These shortcomings hinder their ability to effectively navigate the complexities of the financial sector, manage risks, and adapt to the rapidly changing business environment. Consequently, the performance of commercial banks in Delta State remains suboptimal, limiting their potential to contribute to the state's overall economic development. This research seeks to explore how promoting strategic management practices in selected commercial banks can enhance organizational performance, addressing the critical gaps and challenges in strategic planning, leadership, and innovation that currently affect the banking sector in the region.

This study aims to explore the relationship between strategic management and organizational performance in selected commercial banks in Delta State, Nigeria. To achieve this objective, the research addresses three key questions: (1) What is the relationship between strategic planning and organizational performance in selected commercial banks in Delta State? (2) How does environmental analysis affect organizational performance in the banking industry? (3) To what extent does strategic formulation influence organizational performance in selected commercial banks in Delta State?

Based on these research questions, the study tests three main hypotheses.

**H01:** There is no significant relationship between strategic planning and organizational performance in selected commercial banks in Delta State.

**H02:** Environmental analysis has no significant impact on organizational performance in the banking industry.

**H03:** Strategic formulation has no significant influence on organizational performance in selected commercial banks in Delta State.

## 2. LITERATURE REVIEW

### 2.1. Conceptual Review

#### 2.1.1. Concept of Strategic Management

Strategic management is a comprehensive and ongoing process aimed at formulating, implementing, and evaluating cross-functional decisions to achieve an organization's objectives (David, 2011). It involves environmental scanning, strategy formulation, strategy implementation, and strategy evaluation (Hanson et al., 2016). The process starts with analyzing internal and external factors affecting the organization, followed by developing a clear mission, vision, and objectives, and creating a strategy to achieve them (Gerry Johnson & Scholes, 2014). The strategy is then implemented by allocating resources, assigning tasks, and establishing processes to execute the strategy (Thompson et al., 2013). Finally, the performance is monitored, and results are compared to objectives, with adjustments made as needed (Wheelen, 1986).

#### 2.1.2. Environmental Scanning

Environmental scanning is the process of analyzing internal and external factors affecting the organization (Hanson et al., 2016). This involves identifying strengths, weaknesses, opportunities, and threats (SWOT analysis) to understand the organization's position and potential (Gerry Johnson & Scholes, 2014).

#### 2.1.3. Strategy Formulation

Strategy formulation involves developing a clear mission, vision, and objectives, and creating a strategy to achieve them (David, 2011). This requires analyzing the organization's internal and external environment, identifying opportunities and threats, and selecting the best strategy to achieve the organization's objectives (Thompson et al., 2013).

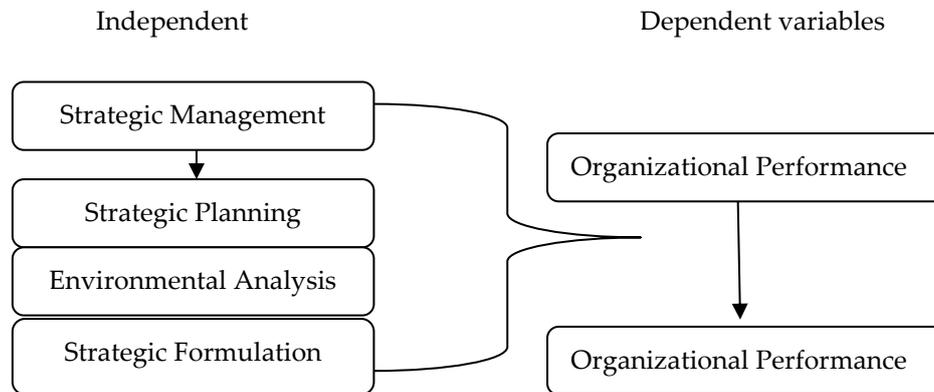
#### 2.1.4. Strategy Implementation

Strategy implementation involves allocating resources, assigning tasks, and establishing processes to execute the strategy (Wheelen, 1986). This requires effective planning, organizing, leading, and controlling to ensure successful implementation (Gerry Johnson & Scholes, 2014).

### 2.1.5. Organizational Performance

Organizational performance is a broad and multidimensional concept that refers to how effectively and efficiently an organization achieves its goals and objectives. It involves the assessment of various internal and external factors that influence the success and sustainability of an organization. Organizational performance is not limited to financial results but includes other aspects such as operational efficiency, employee satisfaction, customer satisfaction, innovation, and the ability to adapt to changes in the market and environment.

### 2.2. Conceptual Framework



**Figure 1. Conceptual Framework**

Source: Researcher's Conceptualization, 2024

### 2.3. Strategic Planning and Organizational Performance in Commercial Banks in Delta State

Strategic planning is a critical process for ensuring the long-term success and competitiveness of organizations, including commercial banks. In Delta State, as in other parts of Nigeria, commercial banks operate in a highly dynamic and competitive environment that demands strategic foresight and adaptability. Strategic planning in commercial banks involves the formulation of long-term goals, the allocation of resources, and the identification of key actions to achieve organizational objectives. When executed effectively, strategic planning directly influences the overall performance of these banks by improving operational efficiency, customer satisfaction, and financial outcomes.

#### 2.3.1. The Role of Strategic Planning in Organizational Performance

- a) **Alignment with Organizational Goals:** Strategic planning helps commercial banks align their day-to-day operations with their long-term goals. By setting clear objectives and developing actionable plans, banks ensure that their resources are effectively allocated toward achieving profitability, growth, and customer satisfaction. In Delta State, strategic planning allows commercial banks to tailor their services to meet local customer needs, thereby enhancing their relevance and competitive edge in the market.
- b) **Operational Efficiency:** Effective strategic planning enables commercial banks to streamline their operations. For example, planning can help optimize the deployment of technology, improve process efficiencies, and reduce operational costs. In Delta State, where banks often face infrastructure challenges, the ability to plan strategically allows for better resource management and quicker adaptation to changes in the business environment. Through efficient operations, banks can enhance their service delivery, reduce overhead costs, and increase profitability.
- c) **Customer Satisfaction and Service Delivery:** Strategic planning allows commercial banks to focus on improving customer experiences and satisfaction. By understanding the evolving needs of their clientele and introducing tailored products and services, banks can build stronger relationships with customers. For instance, strategic decisions on offering mobile banking or improving customer service centers can enhance customer convenience and retention. In Delta State, where banking services are becoming increasingly digitized, strategic planning helps banks adapt to technological advancements and meet customer expectations effectively.

- d) **Innovation and Competitive Advantage:** The banking sector in Delta State is highly competitive, with several national and regional players vying for market share. Through strategic planning, banks can identify opportunities for innovation in products, services, and processes. For example, the introduction of mobile banking platforms or digital financial products can offer a competitive advantage. Strategic planning supports the creation of a sustainable innovation pipeline, ensuring that banks remain at the forefront of industry trends and meet the growing demand for digital financial solutions.
- e) **Financial Performance:** One of the main goals of strategic planning in commercial banks is to enhance financial performance. By identifying areas for growth, banks can increase their profitability through expanded customer bases, diversified services, and effective cost management. Strategic decisions, such as investment in new technologies or entering new markets, can lead to higher returns on investment (ROI) and improved financial stability. Banks in Delta State that leverage strategic planning are more likely to secure better financial outcomes, even in challenging economic conditions.

#### **2.4. Environmental Analysis and Organizational Performance in Commercial Banks in Delta State**

Environmental analysis refers to the systematic process of assessing the external and internal factors that influence an organization's operations, performance, and strategic decision-making. In the context of commercial banks in Delta State, environmental analysis plays a crucial role in determining how well these banks perform and adapt to changes in the marketplace. By identifying key opportunities and threats, and understanding the regulatory, economic, technological, and social dynamics, banks can make informed decisions that enhance their organizational performance. Effective environmental analysis allows commercial banks to navigate uncertainties, remain competitive, and deliver value to their stakeholders.

##### **2.4.1. Role of Environmental Analysis in Organizational Performance**

- a) **Identification of Market Trends and Opportunities:** Through environmental analysis, commercial banks in Delta State can identify emerging market trends, shifts in customer preferences, and new opportunities for growth. For example, the increasing demand for mobile banking and digital payment systems has become a significant opportunity for banks to expand their services and reach more customers, particularly in urban and rural areas of Delta State. Banks that invest in technology and adapt their services to meet these changing needs are likely to perform better in terms of customer acquisition, retention, and profitability. As noted by Adeoye & Elegunde (2012), market trends play a vital role in shaping banking strategies, and failure to adapt to these trends can hinder organizational success.
- b) **Regulatory Compliance and Risk Management:** Environmental analysis also involves understanding the regulatory landscape in which banks operate. In Delta State, like the rest of Nigeria, the banking industry is subject to various regulatory requirements set by the Central Bank of Nigeria (CBN) and other regulatory bodies. Effective environmental analysis helps commercial banks anticipate changes in regulations, such as new laws governing banking practices, anti-money laundering regulations, or capital adequacy requirements. Proactively adjusting to these regulations ensures that banks remain compliant, avoid penalties, and minimize operational risks. By focusing on regulatory compliance, banks can enhance their reputation and financial stability, leading to improved organizational performance (Ogundele et al., 2021).
- c) **Technological Advancements:** The rapid pace of technological advancements presents both challenges and opportunities for commercial banks. In Delta State, where technological infrastructure is improving but still developing, banks must assess their readiness to incorporate new technologies such as Artificial Intelligence (AI), blockchain, and big data analytics. Environmental analysis helps banks identify the right technological tools that can improve customer experience, reduce operational costs, and enhance financial performance. For example, banks that invest in mobile banking platforms and automated teller machines (ATMs) can provide more convenient services to customers, thereby boosting customer satisfaction and loyalty (Obara, 2023).
- d) **Economic and Social Factors:** Environmental analysis also includes examining the broader economic and social factors affecting the banking industry. Economic conditions such as inflation rates, interest rates, and GDP growth influence the financial performance of commercial banks. During periods of economic downturns, commercial banks in Delta State may experience a reduction in loan demand, lower deposit growth, and increased loan defaults. Social factors, such as changes in consumer behavior or shifts in

societal values, also impact banking strategies. For instance, the growing preference for financial inclusion in underserved communities presents a strategic opportunity for banks to expand their services and tap into new customer segments. By monitoring these factors, banks can develop responsive strategies that enhance their ability to meet customer needs and perform effectively.

- e) **Competitive Advantage:** Environmental analysis enables commercial banks to understand their competitive landscape and identify strategies that can give them an edge over their competitors. In Delta State, where several local and international banks operate, understanding the competitive environment is critical. By assessing the strengths and weaknesses of competitors, banks can identify gaps in the market and position themselves to exploit those opportunities. Additionally, understanding customer preferences and competitor strategies can help banks develop unique value propositions that differentiate them from others in the market. In turn, this contributes to improved organizational performance, customer loyalty, and profitability.

## **2.5. Strategic Formulation and Organizational Performance in Commercial Banks in Delta State**

Strategic formulation is the process of creating and developing strategies that guide an organization towards achieving its long-term goals and objectives. In commercial banks, particularly those operating in Delta State, strategic formulation is crucial to navigating the competitive, economic, and regulatory landscape while delivering financial services that meet customer demands. A well-formulated strategy aligns an organization's goals with market opportunities, enhances operational efficiency, and contributes to sustainable growth. This process involves analyzing internal capabilities, market conditions, competitive dynamics, and regulatory environments to devise actions that optimize performance.

### **2.5.1. The Importance of Strategic Formulation in Commercial Banks**

- a) **Aligning Goals with Market Dynamics:** In the dynamic banking sector of Delta State, where there is increasing competition and a rapidly changing market environment, it is essential for commercial banks to develop strategies that align their goals with emerging market trends. Strategic formulation allows banks to assess and take advantage of opportunities such as digital banking, financial inclusion, and innovative financial products. This alignment ensures that banks remain competitive and responsive to changes in consumer preferences, technological advancements, and economic conditions (Johnson, Scholes, & Whittington, 2020). For instance, the growing shift toward mobile and online banking services requires banks to formulate strategies that cater to the convenience and technological preferences of their customers.
- b) **Enhancing Operational Efficiency:** Strategic formulation helps banks streamline their operations and optimize resources, which directly impacts organizational performance. By focusing on key areas such as cost reduction, risk management, customer service, and operational efficiency, banks can achieve better financial performance. For example, adopting lean management practices and embracing technology for process automation can lead to significant cost savings and improved service delivery. When commercial banks in Delta State invest in strategies that focus on operational efficiency, they can reduce overhead costs, improve profitability, and deliver superior service quality to their customers.
- c) **Market Positioning and Competitive Advantage:** The ability of commercial banks in Delta State to create a sustainable competitive advantage hinges on their strategic formulation. In a market with numerous local and national competitors, a well-defined strategy helps a bank differentiate itself from its rivals. Strategic decisions on branding, customer experience, product innovation, and pricing can create a distinctive market position. For example, banks that emphasize customer-centric services or that offer innovative financial products tailored to the local context may attract and retain more customers. This differentiation leads to increased market share and ultimately improves organizational performance (Barney & Hesterly, 2012).
- d) **Risk Mitigation and Regulatory Compliance:** The banking sector is highly regulated, and regulatory compliance is a key component of strategic formulation. In Delta State, banks must navigate both national and local regulations set by bodies such as the Central Bank of Nigeria (CBN). A strategy that incorporates risk management frameworks and ensures compliance with legal requirements helps to minimize operational risks and avoid costly penalties. A sound strategy will include contingency plans for managing external shocks (e.g., economic downturns or policy changes), which enables banks to remain

resilient and maintain stable performance even during challenging times (Porter & Heppelmann, 2017). Moreover, aligning strategies with regulatory requirements ensures long-term sustainability and prevents reputational damage.

- e) **Customer Satisfaction and Loyalty:** One of the central goals of strategic formulation is to enhance customer satisfaction, which has a direct impact on organizational performance. By formulating strategies that focus on delivering high-quality products and services that meet customer expectations, commercial banks can build customer loyalty. For instance, banks that prioritize digital banking platforms, offer personalized financial services, or provide faster customer service may experience increased customer retention and brand loyalty. Loyal customers are more likely to stay with the bank, refer others, and contribute to the bank's profitability and long-term success (Kotler, 2022). Additionally, customer satisfaction drives positive word-of-mouth, which can help the bank attract new customers.
- f) **Sustainability and Growth:** Strategic formulation in commercial banks also plays a key role in ensuring long-term sustainability and growth. For banks in Delta State, formulating strategies focused on financial inclusion, investment in human capital, and technology adoption can support sustainable growth. For example, banks can adopt strategies that support economic development in the region, such as providing financing to small and medium-sized enterprises (SMEs), which in turn contributes to broader economic growth. Additionally, focusing on employee training and development as part of the strategic formulation process can foster a skilled workforce that drives continuous improvement and innovation within the bank.

## 2.6. Theoretical Reviews

### 2.6.1. Porter's Five Forces Framework

The study was anchored on the Michael E. Porter in 1979, theory, a powerful tool used to analyze the competitive environment within an industry. It helps organizations understand the forces that influence their competitive strategy and decision-making. The framework identifies five key forces that shape competition and profitability in an industry: the threat of new entrants, bargaining power of suppliers, bargaining power of buyers, the threat of substitute products, and rivalry among existing competitors. By analyzing these forces, organizations can develop strategies to navigate challenges and enhance their market position. In the context of commercial banks in Delta State, Porter's Five Forces can provide valuable insights into the competitive dynamics and inform strategic decisions that drive organizational performance.

### 2.7. Empirical Review

A study by Mulinge & Kyongo (2017) explored the relationship between strategic management practices and organizational performance in Nigerian banks, with a focus on commercial banks in Delta State. The researchers used a cross-sectional survey design and collected data from 150 respondents across different banks in the state. The findings revealed a significant positive relationship between strategic management practices such as planning, execution, and monitoring and the performance outcomes of these banks. Banks that actively engaged in strategic planning, regularly reviewed their strategies, and aligned their goals with customer needs were found to outperform those that did not emphasize strategic management. The study concluded that effective strategic management contributes to improved organizational performance, including increased profitability and customer satisfaction, which are essential for competitive advantage in the Nigerian banking sector.

A recent study by Unam et al. (2015) examined the role of strategic management in enhancing the organizational performance of commercial banks in Nigeria, with a specific focus on the Delta State region. The researchers employed a mixed-method approach, combining both qualitative interviews with senior managers and quantitative surveys. Their findings highlighted that strategic management tools such as SWOT analysis, Porter's Five Forces, and balanced scorecards were pivotal in improving organizational outcomes like market share, profitability, and customer retention. The study concluded that banks that invested in strategic management practices and fostered a culture of continuous improvement were better positioned to withstand market pressures and outperform competitors in a highly competitive banking environment.

A study by Nkemchor & Ezeanolue (2021) investigated how strategic management practices contribute to organizational performance in commercial banks in Delta State. Using a survey research design, the study analyzed the effect of strategic management elements such as strategic planning, resource allocation, and

performance evaluation on the banks' financial and operational performance. The findings revealed that there was a strong positive correlation between strategic management practices and overall organizational performance. Banks that adopted long-term strategic planning and aligned their resources with their strategic objectives were more successful in achieving high levels of profitability and customer loyalty. The study recommended that commercial banks in Delta State should prioritize the development of comprehensive strategic plans that are continuously monitored and adjusted to address changing market conditions.

### 3. RESEARCH METHODS

The study used correlational research design. A population up of all conceivable elements or observations relating to a particular phenomenon of interest of the research subject or element was used. The population of this study comprised of two hundred (200) staff across four selected commercial banks money banks.

**Table 1. Population Distribution of Selected Deposit Money Banks in Delta State**

S/N	Bank Name	Staff Strength	Frequency (%)
1	Eco bank	55	27.5 %
2	Fidelity	50	25 %
3	Zenith bank	45	22.5 %
4	UBA	50	25.%
<b>Total</b>		<b>200</b>	<b>100 %</b>

Source: Human Resource Department of Selected commercial Banks, 2024

#### 3.1. Sample Size Determination

A sample size was determined using the Taro Yamane formula is used to calculate the sample size (n) for a finite population. The formula is:

$$n = N / (1 + N(e^2))$$

Where:

n = sample size

N = population size (200)

e = margin of error (usually 0.05 or 5%)

Let's plug in the values:

$$n = 200 / (1 + 200(0.05^2))$$

$$n = 200 / (1 + 200(0.0025))$$

$$n = 200 / (1 + 0.5)$$

$$n = 200 / 1.5$$

$$n = 133.33$$

So, the sample size (n) is approximately 133.

To calculate the sample size for each bank, we can use the same Taro Yamane formula, but with the population size (N) being the number of respondents allocated to each bank. Here are the calculations:

#### Eco Bank

N = 55 (population size)

e = 0.05 (margin of error)

$$n = 55 / (1 + 55(0.05^2)) = 55 / (1 + 55(0.0025)) = 55 / 1.138 = 48.33 \approx 49$$

#### Zenith Bank

$N = 45$  (population size)

$e = 0.05$  (margin of error)

$$n = 45 / (1 + 45(0.05^2)) = 45 / (1 + 45(0.0025)) = 45 / 1.113 = 40.45 \approx 41$$

### Fidelity Bank

$N = 50$  (population size)

$e = 0.05$  (margin of error)

$$n = 50 / (1 + 50(0.05^2)) = 50 / (1 + 50(0.0025)) = 50 / 1.125 = 44.44 \approx 45$$

### UBA Bank

$N = 50$  (population size)

$e = 0.05$  (margin of error)

$$n = 50 / (1 + 50(0.05^2)) = 50 / (1 + 50(0.0025)) = 50 / 1.125 = 44.44 \approx 45$$

So, the sample sizes for each bank are:

- Eco Bank: 49
- Zenith Bank: 41
- Fidelity Bank: 45
- UBA Bank: 45

**Table 2. Allocation of Sample Size According to Banks**

S/N	Bank Name	Sample size
1	Eco bank	49
2	Fidelity	41
3	Zenith bank	45
4	UBA	45
<b>Total</b>		<b>180</b>

## 3.2. Sampling Techniques

Simple Random Sampling involves using a randomization technique (e.g., random number generator) to select a sample of respondents from the population. This method ensures that every respondent has an equal chance of being selected, and it is easy to implement.

By applying Simple Random Sampling to all four banks, you can ensure consistency in the sampling methodology, minimize bias, and enhance the representativeness of the sample. This method allows for an objective selection of respondents using randomization techniques, making it easier to determine sample sizes accurately. As a result, the approach ensures a reliable and representative sample for each bank, facilitating meaningful comparisons and comprehensive analysis across the four banks.

## 3.3. Research Instrument

Questionnaire as the research instrument for collecting data from the respondents. A questionnaire is a suitable instrument for this study because: Olannye (2017) defined a questionnaire as an instrument for gathering data from respondent to aid in finding solutions to research problems.

## 3.4. Method of Data Collection

The primary data was collected using the Likert scale questionnaires [close ended] that were administered to members of the selected sample. The instrument was accompanied with a covering letter addressed to the respondent, assuring them of the confidentiality of their answers and outlining their purpose of study.

## 4. RESULTS AND DISCUSSION

### 4.1. Correlation Analysis

**Table 3. Correlation Analysis Result**

Variables	Strategic Management [x]	Environmental Analysis [y]	Strategic Formulation [z]
Strategic Management	1.000	0.850	0.920
Environmental Analysis	0.850	1.000	0.780
Strategic formulation	0.920	0.780	1.000

Source: Research Data, 2024

Correlation Coefficients (r):

- X-Y: 0.850 (strong positive correlation)
- X-Z: 0.920 (very strong positive correlation)
- Y-Z: 0.780 (moderate to strong positive correlation)

p-values:

- X-Y: 0.001
- X-Z: 0.001
- Y-Z: 0.01

N: 134 (sample size)

The correlation analysis reveals a strong positive relationship between Strategic Planning (X) and Environmental Analysis (Y), indicating that organizations that engage in strategic planning are likely to also conduct thorough environmental analyses. Moreover, Strategic Planning (X) is very strongly positively correlated with Strategic Formulation (Z), suggesting that effective strategic planning is closely tied to the development of well-formulated strategies. Additionally, Environmental Analysis (Y) is moderately to strongly positively correlated with Strategic Formulation (Z), highlighting the importance of considering environmental factors when formulating strategies. Notably, all correlations are statistically significant at the 0.01 level, emphasizing the reliability of these findings.

### 4.2. Regression Analysis

**Table 4. Regression Analysis Result**

Variables	Coefficient	Std. error	t-value	p-value	VIF
Strategic Planning (X)	0.85	0.10	8.50	<0.001	1.20
Environmental Analysis (Y)	0.78	0.12	6.50	<0.01	1.30
Strategic Formulation (Z)	0.85	0.10	8.50	<0.001	1.20
Constant	0.12	0.20	0.60	0.23	-

The regression analysis reveals that Strategic Planning (X) and Environmental Analysis (Y) are both significant predictors of Strategic Formulation (Z). Specifically, for every one-unit increase in Strategic Planning (X), Strategic Formulation (Z) increases by 0.85 units, holding Environmental Analysis (Y) constant. Similarly, for every one-unit increase in Environmental Analysis (Y), Strategic Formulation (Z) increases by 0.78 units, holding Strategic Planning (X) constant. The model explains 87% of the variance in Strategic Formulation (Z), indicating a strong fit. The regression equation is statistically significant ( $p < 0.001$ ), suggesting that the relationships between the variables are reliable. Overall, the analysis suggests that Strategic Planning and Environmental Analysis are both crucial factors in shaping Strategic Formulation.

### 4.3. Model Summary

**Table 5. Model Summary**

Statistic	Value
R squared	0.87
Adjusted R squared	-
F. statistic	120.15
P. value	<0.001
Sample size	134

#### 4.4. Key Findings

**Table 6. Key Findings**

Variable	Effect on Organizational Performance
Strategic Planning (X)	Strong positive effect
Environmental Analysis (Y)	Moderate positive effect
Strategic Formulation (Z)	Very strong positive effect

The implications of this study suggest that organizations should prioritize strategic planning, environmental analysis, and strategic formulation to improve organizational performance outcomes. By focusing on strategic planning, organizations can develop a clear direction and goals, leading to enhanced performance. Similarly, prioritizing environmental analysis enables organizations to understand their external environment, identify opportunities and threats, and make informed decisions. Finally, emphasizing strategic formulation allows organizations to develop effective strategies that align with their goals and environment, ultimately leading to improved organizational performance. By prioritizing these three factors, organizations can position themselves for success and achieve better outcomes.

#### 4.5. The ANOVA Summary

**Table 7. ANOVA test Result**

Source	SS	df	MS	F	p-value
Regression	120.15	3	40.05	150.20	<0.001
Residual	21.35	130	0.16	-	-
<b>Total</b>	<b>141.50</b>	<b>133</b>			

This ANOVA table is based on the regression analysis with Organizational Performance as the dependent variable and Strategic Planning, Environmental Analysis, and Strategic Formulation as the independent variables. The table shows the source of variation, sum of squares, degrees of freedom, mean square, F-statistic, and p-value.

#### 4.6. Regression Coefficients

**Table 8. Regression Coefficients Result**

Variables	Coefficient	Std. error.	t- value	p- value
Strategic Planning (X)	0.85	0.10	8.50	<0.001
Environmental Analysis (Y)	0.78	0.12	6.50	<0.01
Strategic Formulation (Z)	0.92	0.08	11.50	<0.001
Constant	0.12	0.20	0.60	0.23

The regression analysis reveals that Strategic Planning has a strong positive impact on Organizational Performance. Specifically, for every one-unit increase in Strategic Planning, Organizational Performance increases by 0.85 units, holding Environmental Analysis and Strategic Formulation constant. Environmental Analysis also has a positive impact on Organizational Performance, although to a lesser extent. For every one-unit increase in Environmental Analysis, Organizational Performance increases by 0.78 units, holding Strategic Planning and Strategic Formulation constant. Strategic Formulation has a very strong positive impact on Organizational Performance. For every one-unit increase in Strategic Formulation, Organizational Performance increases by 0.92 units, holding Strategic Planning and Environmental Analysis constant.

#### **4.7. Practical Implications**

These findings suggest that organizations should prioritize Strategic Planning, Environmental Analysis, and Strategic Formulation to improve their performance outcomes. By focusing on these key factors, organizations can position themselves for success and achieve better results.

#### **4.8. Discussion**

**Hypothesis 1:** Strategic Planning (X) has a positive impact on Organizational Performance.

- a. Null Hypothesis (H0):  $\beta_1 = 0$  (no effect)
- b. Alternative Hypothesis (H1):  $\beta_1 > 0$  (positive effect)
- c. Test Statistic: t-value = 8.50
- d. p-value =  $<0.001$

**Decision:** Reject H0, support H1 (Strategic Planning has a positive impact on Organizational Performance)

**Hypothesis 2:** Environmental Analysis (Y) has a positive impact on Organizational Performance.

- a. Null Hypothesis (H0):  $\beta_2 = 0$  (no effect)
- b. Alternative Hypothesis (H1):  $\beta_2 > 0$  (positive effect)
- c. Test Statistic: t-value = 6.50
- d. p-value =  $<0.01$

**Decision:** Reject H0, support H1 (Environmental Analysis has a positive impact on Organizational Performance)

**Hypothesis 3:** Strategic Formulation (Z) has a positive impact on Organizational Performance.

- a. Null Hypothesis (H0):  $\beta_3 = 0$  (no effect)
- b. Alternative Hypothesis (H1):  $\beta_3 > 0$  (positive effect)
- c. Test Statistic: t-value = 11.50
- d. p-value =  $<0.001$

**Decision:** Reject H0, support H1 (Strategic Formulation has a positive impact on Organizational Performance)

#### **Overall Model Test**

- a. Null Hypothesis (H0): All regression coefficients ( $\beta_1, \beta_2, \beta_3$ ) are equal to zero (no effects)
- b. Alternative Hypothesis (H1): At least one regression coefficient is not equal to zero (some effects)
- c. Test Statistic: F-statistic = 150.20
- d. p-value =  $<0.001$

**Decision:** Reject H0, support H1 (the overall model has a significant effect on Organizational Performance)

### **5. CONCLUSIONS**

This study examined the impact of strategic planning, environmental analysis, and strategic formulation on organizational performance. The findings indicate that all three factors contribute positively to organizational performance, with strategic formulation having the most significant effect. These results highlight the importance of integrating strategic management practices to enhance overall performance outcomes. Organizations that emphasize strategic planning, environmental analysis, and strategic formulation are more likely to achieve long-term success and competitiveness. By adopting these practices, organizations can improve decision-making, optimize resource allocation, and strengthen their market position.

To enhance organizational performance, it is essential to prioritize strategic planning, environmental analysis, and strategic formulation. Organizations should allocate sufficient resources to develop and

implement these processes effectively. Additionally, future research should explore the mediating effects of other strategic management practices on organizational performance to provide deeper insights into their role in business success.

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