
The mediating role of competitive strategy on growth strategies and performance of manufacturing-based SMEs in north-east Nigeria

Ejika Sambo

Office of the Provost
College of Education Zing,
Taraba State, Nigeria
Email: samboejika@gmail.com



ABSTRACT

This study examined the mediating effect of competitive strategy on growth strategies and performance of manufacturing-based SMEs in North-East Nigeria. Adopting survey research design, the target population was registered SMEs in North-East Nigeria as at 31st June, 2023. 3 states out of six in North-East were selected using systematic sampling techniques and 587 out of 729 SMEs registered in the 3 selected states were selected using simple random sampling techniques. The study used structured questionnaire to collect data from the owners, managers and CEO of the selected SMEs. Using both descriptive and inferential statistical tools, the study revealed that, cost leadership strategy has positively and significantly mediated market penetration and performance, market development and performance, and product development and performance of the selected SMEs. Hence, the study concluded that; effective cost leadership strategy positively and significantly mediated growth strategies and performance of manufacturing-based SMEs in North-East Nigeria. Based on these findings, this study recommends that, SMEs should continue to be committed to its cost perception such as reduction of waste, operational cost reduction, and high-quality materials at minimum cost in manufacturing and labor force which is found to have positive and significant mediating influence on growth strategies and performance.

Keywords: Competitive strategy, Growth Strategies, Manufacturing Based SMEs, North-East Nigeria, Performance

1. INTRODUCTION

Given the current economic challenges across the globe, both developed and developing nations are devising means of improving the sources of revenue and also stabilize their economic variables such as inflation, unemployment, and production. Hence, the role of private sector, particularly small and medium scale enterprises cannot be overemphasizing (Alkasim & Bello, 2019). The contributions of small and medium scale enterprises to the economic growth and development of various economies have been globally acknowledge. In this respect, Lubem and Terkimbir (2020) and Alkasim and Hilman (2018) confirmed that, small and medium scale enterprises constitute the highest (50-70%) proportion of business establishment in most national economies, there by contributing to employment generation, poverty reduction, Gross Domestic Product, and household income.

However, Alkasim and Mujitaba (2021) and Dugguh et al. (2018) stated that, the SMEs sector is faced with numerous challenges such as market dynamism, high competition and low performance which posed great threat to their sustainability. On this note, previous studies such as Princess *et al.* (2015) confirmed that, majority of SMEs failed at their second and third years of establishment, as the result of inefficiency and high competition. Hence, the need for effective strategies such as growth and competitive strategies to improve SMEs performance. The understanding and deployment of competitive and growth strategies is believed to have a tremendous impact on business performance (Akeke *et al.*, 2022). However, only few studies were conducted in the area of competitive strategy, growth strategies and performance, particularly relates to SMEs (Nwaele & Egbuta, 2021).

Studies such as Alkasim and Halman (2018) were of the view that, effective deployment of growth strategies such as market penetration, product development, and market development mediated by effective competitive strategy would significantly enhance SMEs sales, market share, and performance. Furthermore, studies such as Alkasim and Mujitaba (2021) and Akeke *et al.* (2020) argued that, competitive strategy such as cost leadership and differentiation are basic in improving business efficiency and competitive advantage. However, less attention was given to this area, particularly the mediating role of competitive strategy in SMEs sector in emerging economies (Bangnoli & Giachetti, 2014; Nwaele & Egbuta, 2021; Lubem & Terkimbir, 2020; Akeke *et al.*, 2022). Furthermore, earlier studies such as Alkhazali *et al.* (2017) and Martinson *et al.* (2017) argued that, improving competitive strategy would enhance growth strategies and performance. Hence, the need to study the mediating role of cost leadership strategy on growth

strategies and performance. Earlier studies such as Uko and Ayatse (2014) further argued that, even though the concepts of competitive strategy and growth strategy are novel areas, however, most of the few studies conducted on the application of these concepts focused on large firms such as banks and other listed manufacturing companies without paying particular attention to SMEs. Hence, the motivation of this study to fill these gaps by empirically examining the mediating role of cost leadership strategy on growth strategies and performance of manufacturing based SMEs in North-East Nigeria.

In order to achieve these objectives, the following hypotheses were formulated to guide the study.

- H₀₁: Cost leadership strategy has no significant mediating role on market penetration strategy and performance of manufacturing-based SMEs in North-East Nigeria.
- H₀₂: Cost leadership strategy has no significant mediating role on market development strategy and performance of manufacturing-based SMEs in North-East Nigeria.
- H₀₃: Cost leadership strategy has no significant mediating role on product development strategy and performance of manufacturing-based SMEs in North-East Nigeria.

This study contributes to literature by studying the mediating role of competitive strategy (cost leadership) on growth strategies and performance of manufacturing-based SMEs in the North-East Nigeria. The competitive strategy considered is cost leadership, while market penetration, market development, and product development were used as growth strategies. The outcome of this study further reinforces the main argument of this study that, effective and efficient growth strategies are based on effective competitive strategy which subsequently improves firms' performance. Therefore, the study believed that, appropriate application of competitive mechanism can improve growth strategies and the performance of SMEs in North-East Nigeria. Moreover, the study is structured into five sections. Section one is introduction, while section two contained a review of relevant literature, section three described methodology adopted for the study, while section four present results and discussion, and section five gives conclusion and recommendations.

2. LITERATURE REVIEW

Performance

The concept of performance was described by Lubem and Terkimbir (2020) as the resultant efforts by business in achieving its stated objectives. These objectives could be sales growth, increase in market share, or profitability. Hence, Igashi *et al.* (2022) described firms' performance as the past, present and future accomplishment of an enterprise that could be measured using either monetary or non-monetary indicators. In this respect, Saulina (2016) and Yousaf and Majid (2016) identified monetary performance measures as sales growth and returns on assets, while non-monetary performance as productivity, employee turnover rate, and quality improvement. Hence, Chen *et al.* (2016) were of the view that, the non-monetary indicators of firm's performance serve as complement to monetary indicators by accurately reflecting the performance of an enterprise subjectively.

Growth Strategies

Strategy, as a fundamental concept in management, is a multidimensional term that was described in different ways by various researchers and authorities. Thus, Lubem and Terkimbir (2020) viewed strategy as the match between organizations' resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish. In their words, Akeke *et al.* (2022) described strategy as how firms operate their businesses for performance improvement. These scholars view the main aim of any strategy as to improve business growth and also outperform its competitors. The effective and efficient application of strategy by a firm is long proven to be an important management tool that managers used to outperform their competitors as well as enhances performance. Hence, Muchele and Kombo (2019) stated that, the concept of strategy can be viewed in two perspectives such as growth strategies and competitive strategy.

In respect to growth strategy, Muchele and Kombo (2019) defined it as the methods that a firm uses to achieve its goals for expansion. In their earlier definition, Dugguhet *et al.* (2018) described growth strategies as the strategies adopted by a firm to increase business overall performance such as sales, assets base, employee retention, goodwill and increase business profit that drive investment and economic development. This also consolidate the earlier definition offered by Vasu and Jayachandra (2014), that growth strategy can be seen as an expansion of an

organization in order to acquire assets, develop new product or service thereby enhancing new investment in the economy. Hence in their definition, Alkasim and Bello (2019) classified growth strategies into market penetration strategy, market development strategy, and product development strategy that comes as the result of increase firm's activities aiming to improve market share, and facilitate competitiveness and performance.

Market penetration was defined by Alkasim and Bello (2019) as strategy that bring increased business activities to the firm's current products and its existing market share. While, Nwaele and Egbuta (2021) defined market penetration strategy as a process in which firm influences its strategies to increase its business activities, through maintaining sales to current customers as well as looking for potential customers to increase the volume of sales, without changing its prime market and product strategy. The strategy is aimed at creating more shares for the existing market, and it concentrates on gaining market competitiveness by having a sustainable market share in the market. Several studies such as Alkasim and Bello (2019) and Nwaele and Egbuta (2021) demonstrated that market penetration is one of the most important growth strategies employed by listed organizations. It is therefore expected that SMEs that practice market penetration would achieve higher performance.

While market development strategy defined by Dugguh *et al.* (2018) as an expansion of existing product to the new market. It is applicable when the existing product found a new market either regionally or its usage. Hence, Hussain *et al.* (2013) described market development strategy as a decision of an organization with the intent to increase volume of sales, revenue and sustain market share. This strategy enables market expansion through market activities to gain customers and increase market share by exploring new market segment. Therefore, Allen and Helms (2016) were of the view that market development strategy if well implemented could lead to improve SMEs performance.

In respect to product development as growth strategies, Gmelin and Seuring (2014) defined it as an essential strategy that enables firms to innovate and modify existing products with intention to add greater value to customers. Hence, Hernández *et al.* (2016) demonstrated that the configuration of activities used by companies to improve existing products is an important influencing factor of organizational performance and that developing new features to an existing product is another strategic option for an organization. It is therefore expected that firms that practice product development achieve higher performance.

Competitive Strategy

The concepts of competitive strategy and business strategy are used interchangeably by most business scholars. Thus, Alkasim and Mujitaba (2021) defined competitive strategy as business strategy that focuses on enhancing business competitive advantages over a certain period of time in an industry. Thus, Alkasim and Hilman (2018) described business competitive strategy as firms' ingredient of competition in an industry. In their own words, Princess *et al.* (2015) defined competitive strategy as a game plan adopted by management for competing successfully in their chosen market. Hence, studies such as Bowman and Helfat (2015) were of the view that, for competitive strategy to be effective, it should align with business growth orientation as its way of responding to its changing environment. Thus, the two concepts are managerial tools that are essential for improving business performance (Suraji, 2020). Therefore, it is necessary for SMEs to aspire for growth and competitiveness so as to sustain and position their business, gain competitive advantage and achieve performance.

Given the conceptual meaning of competitive strategy, Wrona and Ladwig (2015) and Mwangi and Omhui (2013) stated that, firms can achieve competitive strategy either through differentiation or cost leadership. Differentiation strategy focuses on providing unique product or service; hence the strategy is riding on superior value and high customer loyalty. It defines what makes a firm different from its competitors, and could be achieved through up market design or trade mark-image, use of improved technology, superior customer service, geographical reach, and improved distribution system.

However, in respect to cost leadership strategy, a firm is focus on gaining competitive advantage through having lowest cost in an industry without compromising quality. The ability of a firm to obtain and retain competitive advantage through cost leadership requires high market share relative to firm's competitors. This could be achieved through access to right raw materials, efficient utilization of resources, innovations and learning, mass production and efficient distribution channels to enjoy economies of scale.

Therefore, competitive strategy gives firms opportunity to match market requirements with firms' capability to have better chance of creating competitive advantage (Akingbade, 2014). Hence, for the purpose of this study, the researcher adopted cost leadership as a competitive strategy to examine its mediating role on growth strategies and performance of manufacturing-based SMEs. This is based on

the viewed of the studies such as Agashi *et al.* (2022), and Parnell *et al.* (2015) that, cost leadership is more complementary to the aim of growth strategy such as market penetration, market development and product development. Effective cost leadership in these areas of growth strategies would go a long way to improve SMEs performance.

Theoretical Review

There are many theories adopted by previous researchers to study the concepts of firms' performance, growth strategies, and competitive strategy. Few of these theories mentioned by Igashi *et al.* (2022) and Suraji (2020) includes; Contingency theory, Dynamic Capabilities theory, Resource Based theory, Resource Dependency theory, and the Decision Usefulness theory. Hence, this study is anchored on the Contingency theory.

One of the main assumptions of contingency theory is that, business performance is determined by fit among business factors (Parisi, 2012). The theory believes that, a success of any organization depends on understanding of those factors and their interdependencies (Blettner *et al.*, 2012). In this regard, this paper incorporated the contingency theory to expand the knowledge on the relationship between growth strategies and SME performance, with competitive strategy (cost leadership) as the mediating variable.

Previous studies conducted have reported that such connections could enhance organizational performance. For instance, Igashi *et al.* (2022) observed the fit between competitive strategy and organizational learning enhanced the performance of SMEs. Similarly, Alkasim and Bello (2019) detailed the combination of product differentiation and growth strategies emphasized on facilitating optimal performance. Furthermore, L'Ecuyer and Raymond (2017) described the effectiveness and efficiency of business performance is derived from ensuring the employee's capability fits with the routines of business organizations. Therefore, given the empirical support for contingency theory across various research settings, there is enormous diversity of approaches to achieve sustainability. Even though one of the shortcomings of contingency theory is the assumption of a single structural design which best fits for achieving superior performance (Igashi *et al.*, 2022; Cadez & Guilding, 2012), the earlier empirical studies listed above suggest the high level of fit is beneficial for SME performance. Therefore, this study addresses the limitation of contingency theory by incorporating cost leadership as strategy as the mediator to examine its effect on

growth strategies and performance of manufacturing-based SMEs in North-East Nigeria.

Empirical Review

Given that the application of the concept of strategic management in SMEs is new, only few studies were conducted in the area of competitive strategy, growth strategies and SMEs performance. Furthermore, out of the few studies conducted, the findings of these studies across countries still remain inconsistent and inconclusive, hence further studies are required. Below is the review of some empirical studies conducted in this area:

Muchele and Kombo (2019) examined the effect of growth strategies on the performance of food manufacturing firms in Nairobi, Kenya. Using structured questionnaire to elicit data from 64 food manufacturing companies and multiple regression analysis to analyzed the data collected, the study reported a positive effect of growth strategies on the organizational performance. In their study, Nwaele and Egbuta (2021) evaluated the effect of growth strategies on the performance of selected small and medium scale enterprises in Anambra State of Nigeria. Adopting survey research design and using structured questionnaire to collect data from the respondents, the data collected was analyzed using regression analysis, the study reported a positive effect of market penetration strategy on market share of the selected SMEs. Also, Dugguh *et al.* (2018) assessed the impact of growth strategies on business profit of Ashakacem Plc., Gombe State-Nigeria. Using secondary data obtained from the annual reports and accounts of the firm, the study documented a positive and significant influence of growth strategies such as market penetration, market expansion and development, product expansion and development, diversification and karma on business profit. Furthermore, Lubem and Terkimbir (2020) examined market growth strategies and performance of small and medium scale enterprises in Benue State of Nigeria. Using structured questionnaire to collect data from the owners of the business and analyzed the data using regression analysis, the findings of the study indicated that product development strategy and market penetration strategy, and quality customer service strategy have significant effect on the performance of small and medium scale enterprises in Benue State.

In respect to competitive strategy and firm performance, Gatimu and Amuhaya (2022) conducted a study on the effect of competitive strategy on the performance of SMEs in Kiambu, Kenya. Using structure questionnaire to collect data from the

respondents and analyzed the collected data with regression analysis, the study documented differentiation, cost leadership, and focus strategy had a significant positive influence on the performance of the selected SMEs. In the same vein, Chukunalu (2018) examined the effect of competitive strategy on the performance of SMEs in Delta State. The study adopted cross sectional research design while structured questionnaire was used to collect data from the respondents. The data collected was analyzed using regression analysis. The study reported cost leadership strategy, differentiation strategy, and focus strategy have positive and significant effect on the performance of the selected SMEs. Princess *et al.* (2015) evaluated competitive strategy and performance of selected SMEs in Nigeria. The study used structured questionnaire to collect data from the respondents, and the data collected was analyzed using regression analysis. The result of the analysis revealed that, there is a positive and significant relationship between product features and customer base, product customization and sales growth, and value-added products and revenue growth of the selected SMEs.

Onyonyi (2018) studied the effect of competitive strategy on the growth of SMEs in Kenya. The study used questionnaire to collect data from the respondents and the data collected was analyzed using analysis of variance (ANOVA). The result of the analysis revealed that, market penetration strategy has positive and significant effect on the growth of the SMEs, while product development and market development were found to have no significant effect on the growth of the SMEs. Alkasim and Mujitaba (2021) studied the relationship between competitive strategy and performance of manufacturing-based SMEs in North-West Nigeria. The study employed survey research design and structured questionnaire to collect data from the respondents. The data collected was analyzed using least square method. The result of the study indicated that, cost leadership strategy and differentiation strategy have positive and significant influence on the performance of SMEs in the study area.

Furthermore, in respect to using competitive strategy as a mediating variable in a study, Suraji (2020) evaluated the impact of competitive strategy on the relationship between intellectual capital and the performance of SMEs. Using structural equation to analyzed the data collected through structured questionnaire, the result of the study indicated that, competitive strategy was found to have a positive and significant influence on intellectual capital, hence improve firms' performance. In their study, Igashi *et al.* (2022) used competitive strategy to analyzed it mediating effect on the relationship between organizational learning and the performance of SMEs. Using structured questionnaire to collect data,

structural model was used to analyzed the data collected. The result of the analysis revealed; competitive strategy has significant mediating effect on the relationship between organizational learning and the performance of the SMEs. In their earlier study, Alkasim and Bello (2019) studied the mediating role of competitive strategy on the growth strategy and performance of manufacturing-based SMEs in the North-West Nigeria. The data was collected using structured questionnaire, and PLS-SEM was used to analyzed the data collected. The study found that differentiation strategy empirically mediates the relationship between the strategic growth of manufacturing-based SMEs and performance. Furthermore, in their earlier study, Alkasim and Hilman (2018) studied the mediating effect of competitive strategy on the relationship between market development, product development and performance of manufacturing-based SMEs in Nigeria. Using PLS-SEM to analyzed the data collected, the study found that competitive strategy empirically mediates the relationship between the strategic growth of manufacturing-based SMEs and performance.

3. METHODOLOGY

This study adopted survey research design and the target population was all the registered SMEs in the North-East Nigeria (Adamawa, Bauchi, Borno, Gombe, Taraba, and Yobe) as at 31st June, 2023 which were 1467. The study further used systematic sampling techniques (the states were arranged alphabetically and the first three were selected) to select three states (Adamawa, Bauchi, and Borno) as sample states which has a total registered manufacturing-based SMEs of 729. The choice of the 3 states was considered appropriate since the SMEs share the same characteristics (Shekaran & Bougie, 2013; Alkasim & Mujitaba, 2021). Out of the 729 registered manufacturing-based SMEs in the 3 states, the study used simple randomly sampling to select 587 SMEs to which structured questionnaire was administered to the owners, managers and Chief Executive Officers (CEO) of the selected SMEs. The questionnaire format used by Alkasim and Bello (2019) was adapted after modification to fit the peculiarities of this study. To ensure validity of the instrument, internal validity was tested using pilot test that was conducted using registered manufacturing based SMEs in Yola metropolis of Adamawa State, while Cronbach Alpha was used to test the reliability of the instrument. The data collected was analyzed using both descriptive and multiple linear regressions.

To measure growth strategies such as Market Penetration (MP), Market Development (MD), and Product Development (PD), at least six questions were development in respect to each variables of growth strategies that has a significant

influence on sales volume and market share (Slater & Olson, 2001; Alkasim & Bello, 2019). The items of the questionnaire were measured using 5-point Likert Scale of Strongly Agreed (SA), Agreed (AG), Undecided (UD), Disagreed (DA), and Strongly Disagreed (SD). The respondents were required to indicate the degree of their agreements or otherwise with the level of growth strategy that enhance SMEs competitive strategy and performance of their firms.

In respect to competitive strategy, based on the work of Hilman *et al.* (2009) and Alkasim and Bello (2019), eight items of questions were developed and respondents were required to indicate the degree of their agreement or otherwise in relation to the cost leadership strategy of their firm in enhancing SMEs performance. The questions were developed using 7-point scale ranging from not important at all to extremely important.

Furthermore, based on the idea of Spillan and Parnell (2006), SMEs performance was measured using profitability, return on asset, customer retention, attracting new customers, reduce mismanagement, increase facilities, increase operation efficiency compared to previous years. Thus, ten items were used to develop the questionnaire using 5-point Likert scale such as Strongly Disagree to Strongly Agreed. Respondents were required to rate their degree of agreement on the level of their firm performance in relation to firms' growth strategies and cost leadership strategy.

4. RESULTS AND DISCUSSIONS

The results of the analyses of the data are present in tables. It consists of bio data results, diagnostic test, and regressions analyses that explained the mediating role of cost leadership strategy on market penetration strategy, market development strategy, product development strategy and performance of the selected registered manufacturing-based SMEs in the North-East Nigeria.

Bio-Data of the Respondents

In respect to the bio-data of the respondents, the result of the descriptive statistics revealed that 82% of the respondents were male and 18% were female, and out of these respondents, 47% were managers, while 17% were owners and 35% CEO. The result of educational qualifications revealed that 13% have SSCE, 27% have ND or NCE, 42% have first degree, while 12% have master degree and above. To described the type of SMEs ownership, the descriptive results indicated that, 49% were one-man business; 28% are in partnerships, while 12% are joint ventures' 11%

are limited liability firms. Furthermore, the result of descriptive analysis revealed that 57.8% were medium scale enterprises, whereas 42.2% are small scale enterprises. In response to the years of operation, the result shows that, 39% have been running the business between 1 to 5 years, while 21% between 6 to 10 years, and only 18% operates between 11 to 15 years.

Test of Validity and Reliability

The study tested the validity and reliability of the model using two-step modeling as recommended by Henseler *et al.* (2009) and applied by Alkasim and Bello (2019) in their study. The rule of thumb is that, if the loading items are greater than 0.7, and Composite Reliability (CR) also is greater than 0.7, then Average Variance Expected (AVE) should be greater than 0.5 (Hair *et al.* 2014). The result of this analysis is presented in Table 1.

Table 1
Result of reliability and validity test

Constructs	Items	Loading	CR	AVE
Market Penetration	MP01	0.75	0.79	0.52
	MP02	0.71		
	MP04	0.82		
	MP05	0.70		
	MP06	0.72		
Market Development	MD01	0.82	0.81	0.53
	MD03	0.79		
	MD04	0.74		
	MD06	0.71		
Product Development	PD01	0.71	0.83	0.54
	PD02	0.82		
	PD05	0.81		
	PD06	0.75		
Cost Leadership	CL01	0.82	0.85	0.57
	CL03	0.79		
	CL05	0.75		
	CL06	0.86		
	CL07	0.74		
SME's Performance	SMP02	0.80	0.82	0.52
	SMP04	0.71		
	SMP05	0.73		
	SMP07	0.76		
	SMP08	0.73		
	SMP10	0.75		

To meet up with the threshold of CR-value above 0.7 and AVE-value above 0.50 (Hair et al., 2014), items MP03, MD02, MD05, PD03, PD04, CL02, CL04, CLO8, SMP01, SMPO3, SMP06, and SMP09 were deleted. Hence, all the CR-value of this study were above 0.70 as it ranges from 0.79 to 0.85 indicating that the measurement model used in this study is reliable. Furthermore, the convergent validity was established given that, all the AVE-value was above 0.50 as it ranges from 0.52 to 0.57.

Test of Hypotheses

In order to examined the mediating effect of competitive strategy on growth strategies and performance of manufacturing-based SMEs in North-Eastern Nigeria, three hypotheses were developed and tested at 5% using structural model and the result is presented in Table 2.

Table 2
Bootstrapping result of mediating effect of cost leadership strategy on growth strategies and SMEs performance

Hypotheses	Relationship	Coefficient	p-value	Decision
H ₁	MP->CL->SMP	0.093	0.010	Supported
H ₂	MD->CL->SMP	0.287	0.029	Supported
H ₃	PD->CL->SMP	0.052	0.003	Supported

The result of the analysis in Table 2 revealed that, cost leadership strategy has positively and significantly ($\beta = 0.093$, p-value = 0.010) mediated market penetration and the performance of SMEs, market development and performance ($\beta = 0.287$, p-value = 0.029), and product development and performance ($\beta = 0.052$, p-value = 0.003) of the selected manufacturing-based SMEs in North-East Nigeria.

The findings of this study is in line with the results of the previous studies such as Igashi et al. (2022), Alkasim and Bello (2019), Alkasim and Hilman (2018) and Idris (2015), who in different studies also reported that growth strategies is related to firms' performance through effective and efficient competitive strategy. Hence, the finding confirmed the postulate of contingency theory that, business performance is determined by fit among business factors as the success of any organization depends on understanding of those factors and their interdependencies (Blettner *et al.*, 2012). It further buttresses the argument put forward by Mwangi and Omhui (2013) that a firm willing to achieve growth and sustainable market

share should link its activities with cost leadership strategy to enhance competitive advantage and improve performance.

5. CONCLUSION AND RECOMMENDATIONS

Conclusion

This study examined the mediating effect of cost leadership as competitive strategy on growth strategy (market penetration, market development, and product development) and the performance of manufacturing-based SMEs in North-East Nigeria. Adopting various relevant statistical tools to analyzed the data collected, the result of the study revealed that cost leadership has positively and significantly mediated market penetration and performance, market development and performance, and product development and performance of the selected manufacturing-based SMEs in North-East Nigeria. Thus, the study concluded that, competitive strategy has a significant and positive mediating effect on growth strategy and performance of manufacturing-based SMEs in North-East Nigeria.

Recommendation

Given the foregoing findings, the study recommends that, SMEs should continue to be committed to its cost perception in manufacturing and labor force which is found to have a positive and significant mediating influence on market penetration, market development, and product development which has a potency of improving competitive advantage and attain superior performance.

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