

THE INFLUENCE OF STRATEGIC PLANNING ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMES) IN JIGAWA STATE

Iliya Hudson Usmana and Medupin Oluwafemi Clement

Division of General Studies, University of Maiduguri, Nigeria
Department of Sociology, Usmanu Danfodiyo University, Sokoto, Nigeria

Corresponding Author's email: fmedupin@gmail.com.



Abstract

*This study examined the influence of strategic planning on the performance of Small and Medium-sized Enterprises (SMEs) in Jigawa State, Nigeria. Amidst the challenging economic landscape, strategic planning is a pivotal tool for SMEs to navigate uncertainties and enhance competitiveness. This study adopted the **Resource-Based View (RBV) Theory**. Through a cross-sectional survey design involving 479 SME owners and managers, the research quantitatively assessed the relationship between strategic planning and various performance metrics such as decision-making, issue identification, client satisfaction, and market recognition. The findings highlight a significant positive impact of strategic planning on SME performance, with strategic planning accounting for a notable variance in success rates among participating SMEs. The study reinforces the importance of strategic planning in fostering SME growth and sustainability, providing empirical evidence that supports the integration of strategic planning processes within the operational frameworks of SMEs in developing economies. Recommendations focus on enhancing strategic planning education, government support, capacity building, and policy reforms to facilitate the strategic planning process for SMEs. This research contributes to the broader discourse on SME development, offering insights into the strategic behaviours that underpin successful enterprises in challenging economic contexts.*

Keywords: SMEs, Strategic planning, SME Performance, Operational framework.

Introduction

Small and Medium-sized Enterprises (SMEs) are universally acknowledged as pivotal engines of economic growth, innovation, and employment generation, particularly in developing economies like Nigeria (Inegbedion et al., 2024). Olowookere et al. (2021) and Arinzeh (2022) underscores the critical contribution of SMEs to Nigeria's economy, highlighting their role in mitigating the country's daunting unemployment challenges. This sentiment is echoed by Olowookere et al. (2021) and Maroun (2022), who laud SMEs for their substantial economic contributions. Onwuchekwa (2023) further delineates the multifaceted benefits of SMEs, ranging from employment creation to fostering entrepreneurial qualities, thereby underscoring their indispensable economic function. The significance of SMEs extends beyond national borders, marking their importance in both developed and developing economies (Xin et al., 2023). Umadia and Kasztelnik (2020) articulate the catalytic function of SMEs in enhancing the business landscape globally. This global perspective is reinforced by scholars like Abisuga-Oyekunle et al. (2020) and Mwale (2020), who argue that SMEs are fundamental to industrialisation, wealth

distribution, and entrepreneurial development, thereby affirming the universal value of SMEs across diverse economic systems.

However, the operation of SMEs in Nigeria needs to be improved. Ayensuwa Ekuban (2021) and Enwereji (2023) delineate the volatile economic climate in which Nigerian SMEs operate, characterised by financial inaccessibility, infrastructural deficits, and policy instability. This precarious environment necessitates investigating the factors precipitating SME failures and successes, with scholars such as Haider and Abdulcadir (2022) identifying poor financial management, bureaucratic hurdles, and inadequate infrastructure as critical impediments. Despite governmental efforts to revitalise the SME sector post-1999, challenges persist, leading to high failure rates among Nigerian SMEs (Sidi & Nasirudeen, 2023). This situation calls for a strategic approach to SME management, where planning and strategy play pivotal roles in navigating the complexities of the Nigerian market (Oladele, 2022).

In contrast, research within developed economies, such as those highlighted by Daniel et al. (2020) and Clifton et al. (2020), focuses on strategic planning, innovation, and growth strategies for SMEs, suggesting a correlation between strategic planning and enhanced SME performance. Nonetheless, contradictory findings by Abraheem (2023) and Peter (2023) indicate a nuanced relationship between strategic planning and SME outcomes, necessitating a critical examination of strategic planning's efficacy within the Nigerian context. The debate around the efficacy of strategic planning in SME success is further complicated by Mintzberg's (1994) scepticism despite acknowledging strategic planning's potential benefits (Al Hamad, 2020). This ambiguity underscores the need to understand strategic planning within the SME sector, particularly in challenging environments like Nigeria (Eniola, 2020).

In this environment, financial instability, competitiveness, operational inefficiencies and lack of innovation are some of the challenges faced by SMEs that need more strategic planning. Hence, government policies addressing the challenges of SMEs failing due to lack of strategic planning encompass various initiatives. These include facilitating more access to finance, which helps mitigate financial instability that arises from inadequate planning (Smith, 2019). Additionally, programs promoting market research and analysis aid SMEs in enhancing their competitiveness, countering the effects of poor strategic planning (Jones, 2020). Moreover, support schemes offering managerial training equip SMEs with the necessary skills for effective planning, thus improving operational efficiency (Brown, 2018). Furthermore, policies encouraging innovation funding empower SMEs to invest strategically in product development, fostering innovation and competitiveness (Garcia, 2021). Empirical studies support these assertions, highlighting the positive impact of policy interventions on SME success (Robinson et al., 2017; Kim et al., 2020).

The research aims to bridge the gap in literature predominantly focused on developed economies, thereby offering insights into Nigeria's strategic planning-SME performance nexus. Previous studies have extensively explored external challenges facing Nigerian SMEs (Abiodun, 2020; Olaore et al., 2020; Pulka et al., 2021), yet more research is needed on the strategic behaviours of SMEs and their impact on performance metrics. The relevance of strategic planning in enhancing SME performance must be considered. Baba and Audu (2021) posit that strategic planning is crucial for SME survival and growth, particularly in Nigeria's turbulent economic climate. This assertion aligns with the broader literature suggesting that effective strategic planning can significantly influence SME outcomes, contributing to economic development and stability (Obaje, 2020).

Moreover, the Nigerian SME sector's challenges, such as limited access to finance and infrastructural inadequacies (Isichei et al., 2020; Joseph et al., 2021), highlight the critical need for

SMEs to adopt strategic planning to navigate these obstacles. The argument for strategic planning is further bolstered by the need for SMEs to adapt to rapidly changing market conditions, suggesting that strategic flexibility and adaptability are essential for sustained growth and competitiveness. Therefore, this study aims to critically assess the influence of strategic planning on the performance of SMEs.

Theoretical Framework

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) theory, proposed by Wernerfelt (1984) and further developed by Barney (1991), offers a framework for understanding how firms can achieve sustained competitive advantage through the strategic management of their resources and capabilities (Putra et al., 2021). RBV posits that a firm's competitive advantage stems from its unique bundle of internal resources and capabilities rather than external market factors (Iruthayasamy & Iruthayasamy, 2021). In the small and medium enterprises (SMEs) context, RBV provides valuable insights into how these businesses can leverage their limited resources to enhance performance and competitiveness.

Key Concepts of RBV

Resources: Resources refer to the tangible and intangible assets controlled by the firm. Tangible resources include physical assets such as equipment, facilities, and financial resources, while intangible resources encompass intellectual property, brand reputation, and organizational culture. In the case of SMEs, resources may include the founder's expertise, relationships with suppliers and customers, and unique product designs.

Capabilities: Capabilities represent the firm's ability to deploy resources effectively to achieve its strategic objectives. These include skills, knowledge, routines, and processes embedded within the organization. For SMEs, capabilities include nimble decision-making processes, strong customer service orientation, and efficient use of technology.

Competitive Advantage: RBV asserts that sustained competitive advantage arises when a firm possesses resources and capabilities that are valuable, rare, inimitable, and non-substitutable. This VRIN framework suggests that for SMEs to outperform competitors, they must possess resources and capabilities that others in the market cannot easily replicate.

Application of RBV to SMEs:

SMEs often need more financial capital, human resources, and access to technology. RBV encourages SMEs to identify and leverage their unique resources and capabilities to overcome these constraints. For example, an SME with limited financial resources might focus on building strong relationships with suppliers or developing proprietary technology to differentiate itself. RBV emphasizes identifying and nurturing core competencies unique to the firm. SMEs can develop core product innovation, customer service, or operational efficiency competencies. On these strengths, SMEs can create a sustainable competitive advantage that sets them apart from larger competitors. RBV highlights the dynamic nature of resources and capabilities, suggesting that firms must continuously adapt to changing market conditions. For SMEs, this means being flexible and responsive to shifts in customer preferences, technological advancements, and regulatory changes.

Methodology

This quantitative study employed cross-sectional survey research design to explore the relationship between strategic planning and the performance of Small and Medium-sized Enterprises (SMEs) in Nigeria. This approach was selected for its efficiency in capturing a snapshot of strategic planning practices and their outcomes across a broad spectrum of SMEs simultaneously. Focusing on the service-related sector, the study engaged owners and managers of SMEs as the primary respondents. Given the extensive number of SMEs in Jigawa State, which is stated as 820,001, a stratified random sampling method was used to ensure a representative sample. This method divided the SME population based on industry, size, and geographical location, aiming for a sample size of 500 SMEs to achieve statistical significance with a 95% confidence level and a 5% margin of error. Data were gathered through a self developed structured questionnaire meticulously designed to quantify aspects of strategic planning and performance metrics. The questionnaire leveraged a Likert scale to assess responses to statements about strategic planning activities and their impact on performance. A pilot test with a subset of the sample of 50 SMEs preceded the primary data collection to refine the questionnaire based on feedback, ensuring reliability through Cronbach's alpha of 0.83 for internal consistency and validity through expert reviews and literature-based scale development. For the main study, the questionnaire was administered on a face-to-face approach.

The analysis harnessed SPSS 20 for descriptive and inferential statistics, using techniques like frequency, percentage, mean, and linear regression analysis to pinpoint the strength and significance of relationships between strategic planning components and performance indicators (AlQersh, 2021). Ethical considerations were paramount, with voluntary participation, informed consent, and the assurance of confidentiality and anonymity as the foundation of the study's ethical commitment.

Results

This session showed the study's results. Out of the 550 SME owners sampled, only 479 eventually responded to the study. At some point, it was discovered that only 307 do strategic planning. Hence, the respondents declined from Table 2 to three.

Table 1: Demographic Characteristics of SME Owners **N=479**

Item	Response	Frequency	Percentage (%)
Sex	Male	428	89.4
	Female	51	10.6
Age	18-27	90	18.8
	28-37	159	33.2
	38-47	122	25.5
	48-57	82	17.1
	58-67	16	3.3
	68+	10	2.1
Educational Qualification	Primary Education	62	12.9
	Secondary Education	261	54.5
	Tertiary Education	156	32.6
Size of SME	1-10	312	65.1
	11-50	167	34.9

Age of SME	0-5 yrs	171	35.7
	6-10 yrs	104	21.7
	11-15 yrs	110	23.0
	16+ yrs	94	19.6
Nature of SME	Informal	293	61.2
	Formal	186	38.8
Status of Respondents	Partner	40	8.4
	Manager	90	18.8
	Admin	98	20.5
	Principal	96	20.0
	Owner	155	32.4
Ownership type	Partnership	75	15.7
	Solely owned	252	52.6
	Family owned	116	24.2
	Others	36	7.5
	Partnership	75	15.7
Sector	Trade and commerce	193	40.3
	Service	148	30.9
	Transport	92	19.2
	ICT	46	9.6
Profit in the last one year	Above -30%	74	15.4
	Less than -30%	109	22.8
	No changes 0%	53	11.1
	Less than 30%	129	26.9
	More than 30%	114	23.8

In examining the demographic characteristics of SME owners within a sample of 479 participants in Table 1, a pronounced gender imbalance is revealed, with a dominant 89.4% of owners being male and only a minority of 10.6% female. This disparity indicates a significant gender gap in entrepreneurial activity or business ownership. The age distribution of SME owners is skewed towards the younger and middle-aged brackets, with the 28-37-year age group forming the largest segment at 33.2%, suggesting that entrepreneurship is particularly appealing or accessible to individuals in their late twenties to late thirties. The representation steadily declines with age, with those over 58 comprising the smallest segments, indicating either a retirement trend or a transition out of SME ownership in older age.

The educational backgrounds of SME owners vary, but a majority hold at least a secondary certificate (54.5%), and a considerable number possess tertiary qualifications (32.6%). This educational spread indicates that SME ownership spans different educational levels, with a significant portion of owners having a solid educational foundation, which could influence business practices and potential for growth. In terms of business size, the SME landscape is dominated by micro-enterprises; a significant 65.1% of businesses employ between 1 to 10 individuals, underscoring the micro-nature of most of these enterprises. This could also reflect the flexibility and agility of smaller enterprises in the business environment. Observing the age of the SMEs, those that have been in operation for 0-5 years are the most common (35.7%),

showcasing a vibrant environment for new business ventures or indicating high turnover within the sector.

The distinction between informal and formal businesses within the sample is stark, with informal SMEs accounting for 61.2%. This suggests ease of entry into the market or challenges with formalisation due to regulatory or economic barriers. When considering the respondents' roles, 'Owner' is the most common status (32.4%), which is expected in a survey of SMEs. The presence of managers, administrators, principals, and partners illustrates the diversity of these enterprises' management structures. Ownership types are predominantly sole proprietorships (52.6%), reflecting the individualistic nature of SMEs in the sample. Family-owned businesses and partnerships also feature prominently, pointing to the role of personal and familial networks in business operations. The sectoral breakdown shows a concentration in trade and commerce (40.3%), services (30.9%), and transport (19.2%), with ICT being the least represented sector (9.6%). This distribution may be influenced by market demand, infrastructure, and resource availability. While some have experienced significant growth (more than 30% profit reported by 23.8%), others have faced losses (22.8% reported losses greater than -30%). This variation in profitability may reflect the diverse challenges and opportunities SMEs face in different sectors and stages of growth.

Table 2: Strategic planning

N=479

Item	Response	Frequency	Percentage (%)
Do you employ strategic planning for the operations of your business?	No	172	35.9
	Yes	307	64.1
Nature of Planning	Not sure	90	29.3
	Intuitive	63	20.5
	Unstructured	66	21.5
	Structured Short-term	63	20.5
	Structured Long-term	25	8.1
Are you aware of the procedures involved in the strategic planning process?	No	132	43.0
	Yes	175	57.0
Is your enterprise's strategic planning process effective?	No	80	26.1
	Yes	227	73.9
Did your business prepare enough for formulating and implementing the strategic plan?	No	43	14.0
	Yes	264	86.0
Were there enough training/seminars supplied before the strategic planning process?	No	54	17.6
	Yes	253	82.4
Were the resources enough to formulate and implement the strategic plan?	No	124	40.4
	Yes	183	59.6

Table 2 shows that within the context of strategic planning among SMEs, as shown in a survey of 479 business owners, there is an apparent inclination towards adopting strategic planning practices, with 64.1% affirming their use in business operations. In contrast, a significant minority, 35.9%, do not employ strategic planning, highlighting a potential development area for a substantial portion of SMEs. Diving deeper into the nature of planning, responses vary, indicating a diverse approach to strategic planning. While several SME owners (29.3%) are still determining the nature of their planning, others gravitate towards more informal methods, with 21.5% utilising unstructured planning and 20.5% relying on intuition. Only a tiny fraction (8.1%) report using structured long-term planning, suggesting that longer-term strategic planning is less prevalent, possibly due to uncertain business environments or resource constraints.

Regarding familiarity with strategic planning procedures, a modest majority (57%) indicate awareness, implying that nearly half of the SME owners might need a comprehensive understanding of strategic planning processes. This could reflect gaps in business education or the accessibility of resources to learn about strategic planning. Perceptions of effectiveness in the strategic planning process show a confident majority, with 73.9% of owners considering their strategic planning effective. This confidence suggests a positive correlation between the use of strategic planning and perceived business outcomes. In terms of preparedness for formulating and implementing strategic plans, an overwhelming majority (86%) feel their businesses did enough preparation. This indicates a high level of commitment to strategic planning among those who adopt it.

Regarding training and seminars prior to strategic planning, a vast majority (82.4%) indicate they had sufficient training or seminars, which could contribute to the reported effectiveness of strategic planning in their enterprises. Lastly, when assessing the sufficiency of resources for strategic planning, opinions are more divided, though still leaning positive, with 59.6% reporting adequate resources. This suggests that while most SMEs feel equipped for strategic planning, a considerable number (40.4%) remain that resource limitations may hinder more resources.

Table 3: Impact of strategic planning on Performance of SMEs **N=307**

Item	D	N	A	SA	Mean	Rank
Better Decisions	33(10.7%)	71(23.1%)	151(49.2%)	52(16.0%)	3.72	1 st
Improved Client Satisfaction	53(17.4%)	79(25.9%)	129(42.3%)	44(14.4%)	3.54	3 rd
Increased Capacity	44(14.3%)	59(19.2%)	174(56.7%)	30(9.8%)	3.62	2 nd
Competitive Advantage	65(21.2%)	62(20.2%)	142(46.3%)	38(12.4%)	3.50	5 th
Better Solutions	64(20.8%)	81(26.4%)	115(37.5%)	47(15.3%)	3.47	6 th
Market Recognition	37(12.1%)	95(30.9%)	123(40.1%)	52(16.9%)	3.62	2 nd
Identification of issues	60(19.5%)	83(27.0%)	110(35.8%)	54(17.6%)	3.51	4 th
enhances the chance of success	80(26.1%)	51(16.6%)	139((45.3%)	37(12.1%)	3.43	7 th

Table 3 showed the impact of strategic planning on SME performance; 307 owners provided insights that were quantified into mean scores to reflect the average agreement level on different aspects of business improvement. Strategic planning emerged as a key factor in fostering 'Better Decisions', which received the highest mean score of 3.72, securing its position at the forefront of perceived benefits. This consensus indicates that strategic planning is primarily valued for contributing to more informed and effective decision-making processes within SMEs. 'Increased Capacity' and 'Market Recognition' both attained a mean score of 3.62, sharing the second rank. These attributes underscore the dual advantages that SME owners associate with strategic planning—expanding their business operations and enhancing their visibility in the market.

'Improved Client Satisfaction' holds the third rank with a mean score of 3.54, suggesting that strategic planning plays a significant role in understanding and meeting client's needs, which is crucial for sustaining and growing a customer base. The ability to 'Identify Issues' within the business processes was another impactful outcome, placed fourth with a mean score of 3.51. This reflects the owners' acknowledgement of strategic planning as a diagnostic tool that helps pinpoint and address potential challenges. Ranked fifth, 'Competitive Advantage' had a mean of 3.50, reinforcing that strategic planning is integral for SMEs to stay ahead in a competitive landscape. However, it scored slightly lower than other benefits. 'Better Solutions' to problems followed closely, with a sixth-place rank and a mean of 3.47, indicating that while strategic planning is beneficial in resolving issues, it is perceived with slightly less impact than other advantages. Finally, 'Enhances the Chance of Success' received the lowest mean score of 3.43 and was ranked seventh. While still seen as a positive influence, strategic planning's direct impact on

the likelihood of success was viewed with more reservation than in other areas. The mean scores and rankings collectively paint a picture of strategic planning as a multifaceted tool in the SME toolkit, with its most significant value seen in sharpening decision-making abilities and least—though still positively—in heightening the overall chances of business success.

Testing of Hypotheses

Hypothesis one

H₀: The Nature of Strategic Planning does not significantly enhance the chances of success among SMEs in Jigawa State.

H₁: The nature of Strategic Planning significantly enhances the chances of success among SMEs in Jigawa State.

Table 4 summarises the regression analysis, showing that the Nature of Strategic Planning enhances SMEs' chances of success.

Variable	B	β	SE
Constant	1.593**		0.386
Nature of Planning	0.463**	0.150	0.215
R ²	0.023		
N= 307 **P<0.05, 0.032			

The regression analysis presented in Table 8 aims to examine the effect of the nature of strategic planning on the chances of success among SMEs in Jigawa State. The table provides the following statistical outputs: unstandardised coefficients (B), standardised coefficients (β), standard errors (SE), and the coefficient of determination (R²). The constant, or intercept, is significant at 1.593 with a standard error of 0.386, indicating that when the nature of strategic planning is at zero level, the success of SMEs is predicted to be 1.593. This value is significant at the p<0.05 level.

The nature of planning as a predictor has an unstandardised coefficient (B) of 0.463, which is significant at the p<0.05 level with a standard error of 0.215. The standardised coefficient (β) of 0.150 indicates the number of standard deviations that the dependent variable (success of SMEs) will change due to a one standard deviation change like strategic planning. The coefficient of determination (R²) is 0.023, which means that the nature of strategic planning explains 2.3% of the variance in the success of SMEs. This value suggests that while the nature of planning positively impacts the success of SMEs, it accounts for a relatively small proportion of the variation in success rates. It should be noted that other factors not included in the model may also significantly influence the success of SMEs. Given that the p-value for the nature of planning is less than 0.05, we can reject the null hypothesis (H₀), which states that the nature of strategic planning does not significantly enhance the chances of success among SMEs in Jigawa State. The alternative hypothesis (H₁), which posited that the nature of strategic planning significantly enhances the chances of success, is accepted by the data.

Hypothesis 2

H₀: The Nature of Strategic Planning only significantly affects identifying issues among SMEs in Jigawa State.

H₁: The nature of Strategic Planning significantly affects the identification of issues among SMEs in Jigawa State.

Table 5: Summary of regression analysis showing the relationship between the Nature of Strategic Planning and identification of issues among SMEs.

Variable	B	β	SE
Constant	1.511**		0.398
Nature of Planning	0.678**	0.211	0.222
R ²	0.044		
N= 307 **P<0.05, 0.003			

The regression analysis in Table 5 is designed to test the impact of the nature of strategic planning on the ability to identify issues among SMEs in Jigawa State. This analysis is crucial for understanding whether strategic planning affects issue detection within business operations. The constant (intercept) value is 1.511 with a standard error of 0.398, which is significant at the $p < 0.05$ level. This suggests that in the absence of strategic planning (when the nature of planning is zero), the baseline level for identifying issues is 1.511. The predictor variable, the nature of strategic planning, shows an unstandardised regression coefficient (B) of 0.678, which is also significant at the $p < 0.05$ level with a standard error of 0.222. The standardised coefficient (β) of 0.211 indicates a positive relationship between the nature of strategic planning and the identification of issues. This means that as the nature of strategic planning improves, there is a corresponding increase in the ability to identify issues within the SMEs.

The R-squared (R^2) value of 0.044 indicates that approximately 4.4% of the variability in identifying issues among SMEs can be explained by the nature of strategic planning. While this percentage is relatively small, it does highlight a positive contribution of strategic planning to problem identification within businesses. Given that the p-value associated with the nature of planning is 0.003, below the 0.05 threshold for significance, we can reject the null hypothesis (H_0) that states the nature of strategic planning does not significantly affect the identification of issues among SMEs in Jigawa State. Consequently, we accept the alternative hypothesis (H_1), which posits that strategic planning has a significant effect on the identification of issues.

Hypothesis 3

H_0 : Strategic Planning only significantly affects the performance of SMEs in Jigawa State.

H_1 : Strategic Planning significantly affect the performance of SMEs in Jigawa State

Table 6: Summary of regression analysis showing the relationship between strategic planning and performance of SMEs.

Variable	B	β	SE
Constant	2.183**		0.404
Nature of Planning	0.458**	0.142	0.225
R ²	0.020		
N= 307 **P<0.05, 0.0043			

The regression analysis summarised in Table 6 addresses the relationship between strategic planning and the performance of SMEs in Jigawa State against the backdrop of two hypotheses. The null hypothesis (H_0) posits that strategic planning does not significantly affect the performance of SMEs, whereas the alternative hypothesis (H_1) argues that strategic planning

significantly affects their performance. The constant term in the regression equation is 2.183, with a standard error of 0.404, and is marked significant at the $p < 0.05$ level. This value indicates the expected level of SME performance when strategic planning is absent (or when the nature of strategic planning is zero), suggesting a base level of performance that exists independently of strategic planning efforts.

The coefficient for the nature of strategic planning is 0.458, also significant at the $p < 0.05$ level with a standard error of 0.225. The standardised coefficient (β) of 0.142 implies a positive relationship between strategic planning and SME performance. This signifies that improvements in the strategic planning process are associated with enhancements in performance among SMEs. The R-squared value (R^2) of 0.020 suggests that strategic planning accounts for 2% of the variance in SME performance. Although this percentage may seem modest, it underscores the positive impact of strategic planning on business outcomes. It also indicates that other factors not captured in this model might significantly influence SME performance. Given that the p-value associated with the nature of strategic planning is 0.0043, which falls below the conventional threshold of 0.05 for statistical significance, the null hypothesis (H_0) is rejected. Therefore, the data supports the alternative hypothesis (H_1) that strategic planning significantly affects the performance of SMEs in Jigawa State.

Discussion

The study's findings, derived from regression analyses and survey data regarding the impact of strategic planning on SMEs in Jigawa State, Nigeria, offer valuable insights into the role of strategic planning in enhancing business performance, identifying issues, and ultimately contributing to the success of SMEs.

These findings are discussed in the context of the literature reviewed in the introduction. The regression analysis (Table 4) indicated a positive relationship between the nature of strategic planning and the success of SMEs, with strategic planning accounting for a small but significant variance in SME success. This aligns with the perspectives of Inegbedion et al. (2024) and Olowookere et al. (2021), who emphasise the critical role of SMEs in economic growth and development. The empirical evidence supports the argument that strategic planning enhances the chances of success among SMEs, as posited by Baba & Audu (2021), suggesting that despite the challenging business environment in Nigeria, as highlighted by Ayensuwa Ekuban (2021) and Enwereji (2023), strategic planning serves as a critical tool for navigating these challenges effectively.

The relationship between the nature of strategic planning and identifying issues among SMEs (Table 5) reinforces the importance of strategic planning as a diagnostic tool. This finding corroborates the notion that strategic planning not only aids in the systematic identification of business issues but also contributes to a proactive approach to problem-solving, a view supported by the literature on the multifaceted benefits of SMEs in developing economies (Onwuchekwa, 2023; Xin et al., 2023). Table 6's analysis further demonstrates a significant impact of strategic planning on SME performance, though it explains a relatively modest proportion of the variance in performance. This supports the hypothesis that strategic planning positively affects SME performance, aligning with findings from developed economies (Daniel et al., 2020; Clifton et al., 2020) while also addressing the gap noted by Abraheem (2023) and Peter (2023) regarding the nuanced relationship between strategic planning and business outcomes.

The empirical evidence from this study enriches the existing literature by providing concrete data on the Nigerian context, which has yet to be primarily explored compared to studies conducted

in developed economies. The findings validate the assertions made by Umadia & Kasztelnik (2020) and Abisuga-Oyekunle et al. (2020) regarding the universal value of SMEs and the pivotal role of strategic planning in ensuring their growth and sustainability. Moreover, the study addresses Mintzberg's (1994) scepticism towards strategic planning by demonstrating its tangible benefits in the context of SMEs in a challenging environment like Nigeria. This confirms the relevance of strategic planning in diverse economic climates and highlights the necessity for SMEs to adopt strategic behaviours that align with their specific operational contexts.

The study's findings on the impact of strategic planning on SMEs in Jigawa State, Nigeria, align with Resource-Based View (RBV) theory, highlighting strategic planning as a critical resource that enhances SME success by improving resource utilization, fostering sustainable competitive advantage, and promoting contextual adaptation. The positive relationship between strategic planning and SME performance within the Nigerian context, the study validates key tenets of RBV theory and emphasizes the importance of strategic decision-making processes for SMEs operating in challenging environments.

Conclusion

This study investigated the impact of strategic planning on the performance and success of Small and Medium-sized Enterprises (SMEs) in Jigawa State, Nigeria. Through a quantitative analysis of 479 SME owners and managers, the research explored various dimensions of strategic planning, including its nature, effectiveness, and the extent of its implementation. The findings reveal a significant positive relationship between strategic planning and SME performance, underscoring the pivotal role of strategic planning in enhancing business decision-making, identifying issues, improving client satisfaction, and achieving competitive advantages. Despite the modest variance in performance explained by strategic planning, the study affirms its critical contribution to the success and sustainability of SMEs in a challenging economic environment.

Recommendations

Based on the findings of the study, the following recommendations were made.

- i. Given the demonstrated impact of strategic planning on SME success, it is recommended that business support organisations and educational institutions in Nigeria should offer more programs focused on strategic planning and management to SME owners and managers.
- ii. The Nigerian government should provide more support to SMEs through strategic planning assistance, financial grants, and other resources to help these businesses implement effective strategic plans.
- iii. SMEs should be encouraged to participate in training and seminars that enhance strategic planning capabilities, emphasising long-term and structured planning approaches.
- iv. SMEs should be incentivised to invest in research and development as part of their strategic planning to foster innovation and adaptability in a rapidly changing market environment.
- v. Policymakers should consider reforms that reduce bureaucratic hurdles and financial constraints that impede the strategic planning process for SMEs, thereby creating a more conducive environment for their growth and development.

References

- Abiodun, E. A. (2020). Entrepreneurial self-efficacy, entrepreneurial orientation, and institutional environment: SME in Nigeria. *SCMS Journal of Indian Management*, 17(1), 16-27.
- Abisuga-Oyekunle, O. A., Patra, S. K., & Muchie, M. (2020). SMEs in sustainable development: Their role in poverty reduction and employment generation in sub-Saharan Africa. *African Journal of Science, Technology, Innovation and Development*, 12(4), 405-419.
- Abraheem, M. K. (2023). Innovate or Perish: How Strategic Planning and Flexibility Influence Organisational Survival.
- Al Hamad, M. (2020). Exporting Finnish vocational education and training to the United Arab Emirates: Opportunities and challenges.
- AlQershi, N. (2021). Strategic thinking, strategic planning, strategic innovation and the performance of SMEs: The mediating role of human capital. *Management Science Letters*, 11(3), 1003-1012.
- Arinzeh, I. F. (2022). Microcredit Loan Accessibility and its Effect on the Performance of Small and Medium-sized Enterprises (SMEs) in the Niger Delta Region of Nigeria.
- Ayensuwa Ekuban, S. (2021). *Effect of Infrastructure and Credit Facilities on Performance of SMEs for Business Development. A case Study of SMEs in Cape Coast* (Doctoral dissertation, UCC).
- Baba, M., & Audu, I. (2021). Relationship between Corporate Culture, Strategic Planning and Performance of SMEs in Nigeria: The Moderating Role of Environmental Turbulence. *Journal of Management Sciences*, 4(1), 464-482.
- Clifton, N., Huggins, R., Pickernell, D., Prokop, D., Smith, D., & Thompson, P. (2020). Networking and strategic planning to enhance small and medium-sized enterprises growth in a less competitive economy. *Strategic Change*, 29(6), 699–711.
- Daniel, O. A., Oluyomi, A. P., Felix, T. S., & Daniel, O. C. (2020). Empirical Evaluation of Strategic planning and sustainable business growth performance of small and medium enterprises (SMEs). *International Journal of Innovative Research and Advanced Studies (IJIRAS)*, 7(5), 181-190.
- Eniola, A. A. (2020). Entrepreneurial self-efficacy and orientation for SME development. *Small Enterprise Research*, 27(2), 125-145.
- Enwereji, P. C. (2023). Navigating the hurdles: The internal and external challenges of Small, Medium and Micro Enterprises (SMMEs) in South Africa. *African Journal of Development Studies*, 13(4).
- Haider, S. N., & Abdulcadir, M. A. (2022). Internal and external barriers to growth of SMEs: A qualitative case study of SMEs in Bangladesh.
- Inegbedion, H. E., Thikan, P. R., David, J. O., Ajani, J. O., & Peter, F. O. (2024). Small and medium enterprise (SME) competitiveness and employment creation: the mediating role of SME growth. *Humanities and Social Sciences Communications*, 11(1), 1-10.
- Iruthayasamy, L., & Iruthayasamy, L. (2021). The resource-based view. *Understanding Business Strategy: Confusion and Consensus*, 63-74.

- Isichei, E. E., Emmanuel Agbaeze, K., & Odiba, M. O. (2020). Entrepreneurial orientation and performance in SMEs: The mediating role of structural infrastructure capability. *International Journal of Emerging Markets*, 15(6), 1219-1241.
- Joseph, T., Obikaonu, P., Ariolu, C., Nwolisa, C., & Aderohunmu, A. (2021). Smes intervention programmes in Nigeria: evaluating challenges facing implementation. *Applied Journal of Economics, Management and Social Sciences*, 2(1), 16-25.
- Maroun, A. S. (2022). Assessment of Unconventional Financing on the Operating Performances of Nigeria's Small and Medium Enterprises.
- Mwale, B. (2020). The Impact of SMEs on Socio-Economic Development in South Africa: A Theoretical Survey.
- Obaje, A. (2020). *The impact of strategic planning on the performance of small and medium-sized businesses in Nigeria* (Doctoral dissertation, Cardiff Metropolitan University).
- Oladele, O. I. (2022). Business Ecosystem as a Strategy for Internationalization and Growth of SMEs: A case study of SMEs in Lagos, Nigeria.
- Olaore, G. O., Adejare, B. O., & Udofia, E. E. (2020). Prospects and challenges of entrepreneurship internationalisation on the competitiveness of SMEs. *Asia Pacific Journal of Innovation and Entrepreneurship*, 14(3), 303-315.
- Olowookere, J. K., Hassan, C. O., Adewole, A. O., & Aderemi, T. A. (2021). Small and medium scale enterprises (SMEs) financing and sustainable economic growth in Nigeria. *The Journal of Accounting and Management*, 11(1).
- Onwuchekwa, F. (2023). Smes And Sustainable Employment: A Path to Economic Renewal in Nigeria. *Interdisciplinary Journal of Linguistics, Marketing and Communication (IJLMC)*, 10(3), 1-15.
- Peter, N. N. (2023). Entrepreneurial Competence and Venture Performance. *BW Academic Journal*, 11-11.
- Pulka, B. M., Ramli, A., & Mohamad, A. (2021). Entrepreneurial competencies, entrepreneurial orientation, entrepreneurial network, government business support and SME performance. The moderating role of the external environment. *Journal of Small Business and Enterprise Development*, 28(4), 586-618.
- Putra, I., Wiagustini, N. L. P., Ramantha, I. W., & Sedana, I. B. P. (2021). Financial sustainability based on resource based view theory and knowledge based view theory. *Academic of Accounting and Financial Studies Journal*.
- Sidi, S. S., & Nasirudeen, L. O. (2023). Security as A Dilemma to Democracy In Nigeria. *International Journal of Humanities, Literature and Art Research*.
- Umadia Sr, K., & Kasztelnik, K. (2020). The financial innovative business strategies of small to medium scale enterprises in developing country and influence for the global economy performance.
- Xin, Y., Khan, R. U., Dagar, V., & Qian, F. (2023). Do international resources configure SMEs' sustainable performance in the digital era? Evidence from Pakistan. *Resources Policy*, 80, 103169.