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THE IMPACTS OF STRATEGIC MANAGEMENT ON ORGANIZATIONAL
PERFORMANCE IN SMALL BUSINESSES

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DEDICATION

I dedicate this dissertation and degree to my wife, Johanna, whose love and unwavering support has pushed me to be a better version of myself every day. Your belief in me has pushed me to heights I never imagined, but more importantly reaching them with you by my side. To my sons, Yadiel, Aaron and Ethan, who inspire me to be the best version of myself and that there is no dream too big and no goal we can't accomplish.

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ABSTRACT OF THE DISSERTATION

THE IMPACTS OF STRATEGIC MANAGEMENT ON ORGANIZATIONAL
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Small and medium-sized enterprises (SMEs) are critical to economic growth, job creation, and innovation, yet they often face challenges related to strategic management and organizational performance. Despite the growing body of research on strategic management in large corporations, there is a lack of empirical studies focusing on SMEs. This dissertation explores the relationship between strategic management practices and organizational performance in SMEs, aiming to identify key factors that contribute to business success and sustainability.

Utilizing a quantitative research approach, this study examines how strategic direction, human capital, strategy implementation, organizational communication, and mission relevance impact perceived organizational performance in SMEs. A structured survey was distributed to small business owners and key decision-makers, capturing data on their strategic practices and performance outcomes. The study employs structural equation modeling (SEM) to analyze the relationships between these strategic management constructs and business performance indicators.

Findings from the research indicate that strategic initiative implementation has a statistically significant positive effect on perceived organizational performance. However, other factors such as human capital, organizational communication, relevance, and strategic direction, while theoretically significant, did not yield strong statistical relationships with business performance in the sample studied. The results suggest that SMEs that focus on well-defined strategic initiatives, including clear goal setting, resource allocation, and performance monitoring, experience enhanced business outcomes.

The implications of this study extend to both academic and practical domains. It provides evidence-based recommendations for SME owners, policymakers, and business consultants on effective strategic management practices that foster sustainable growth. Moreover, the findings highlight the need for SMEs to refine their approach to human capital management, strategic communication, and performance alignment to maximize business success. By bridging the gap in the literature, this dissertation contributes to a deeper understanding of the role strategic management plays in shaping SME performance and competitiveness in dynamic business environments.

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I. INTRODUCTION

Small and Medium Sized Enterprises (SMEs) play a critical role in the global economy, contributing significantly to job creation, innovation, and economic growth. However, these enterprises often face several challenges related to strategic management and organizational performance, which can impact their overall success. According to the Small Business Administration (SBA), there are 33.2 million small businesses in the United States, which comprises approximately 99.7% of all businesses (Whitney, 2005). Most small businesses are owned and operated by people that may or may not have the proper training, understanding or financial acumen, however, they generate over 50 percent of all private GDP in the United States (Whitney, 2005).

Strategic management involves the formulation and implementation of strategies that enable organizations to achieve their goals and objectives (Samad et al., 2018). It includes activities such as strategic planning, analysis of the external environment, development of competitive advantage, and monitoring of performance (Samad et al., 2018). On the other hand, organizational performance refers to the extent to which an organization can achieve its goals and objectives, including financial performance, customer satisfaction, and employee engagement.

Despite the importance of these issues, there is a lack of research exploring the relationship between strategic management, organizational performance, and SME success. Therefore, the problem addressed in this research is to examine the impact of strategic management and organizational performance on SMEs, with the goal of identifying key factors that contribute to SME success and informing strategies to improve their performance. With several studies done attempting to correlate strategic

management, organizational performance and large-scale organizations, there is extraordinarily little to help us understand how these impact small businesses. According to Abosede et. al, many prior studies linked to small businesses show frustrating results between strategic management and organizational performance of small businesses (Abosede et al., 2016).

Past research assumes that small businesses do not engage in strategic planning, profit planning, or even capital allocation, but when they do, it done inconsistently and without proper understanding of how to execute these strategies successfully (Abosede et al., 2016). In addition, SMEs may face challenges related to the development of competitive advantage. Due to their size and limited resources, SMEs may not be able to compete on price with larger organizations. Therefore, they may need to focus on developing other types of competitive advantage, such as innovation or superior customer service.

Small business owners must explore opportunities to increase profitability and must do so with potentially limited resources. Exhausting resources is recurring theme; however, it does not have to continue down this trend because there must be ways that they can utilize their understanding of their industry, customer base, and performance to drive decisions, such ideal capital allocation. Owners and managers alike are looking for the ideal strategy that will increase profits, mitigate their risks, and scale operations in an efficient manner, but that may not necessarily hold for small businesses, as it does for large corporations (Busenbark et al., 2017).

Another challenge faced by SMEs around organizational performance is the need to balance the demands of multiple stakeholders. SMEs may need to prioritize the needs of

customers, employees, and investors, all while maintaining financial stability (Abosede et al., 2016). This can be particularly challenging for SMEs that are experiencing rapid growth, as they may need to make decisions quickly without fully considering the impact on all stakeholders.

Despite these challenges, SMEs can benefit from effective strategic management and organizational performance. By developing a clear strategic direction and focusing on key success factors, SMEs can improve their overall performance and achieve sustainable growth (Abosede et al., 2016). In addition, by prioritizing the needs of all stakeholders, SMEs can build a formidable reputation and brand, which can lead to increased customer loyalty and improved financial performance.

Therefore, the aim of this research is to explore the relationship between strategic management, organizational performance, and SME success. The research will involve a comprehensive review of the literature, as well as a survey of SME owners and managers to gather their perspectives on these issues. The study will also explore the impact of numerous factors, such as innovation and customer service, on the relationship between strategic management, organizational performance, and SME success.

Research Question

What impact does Strategic Management have on Organizational Performance in Small and Medium Sized Enterprises (SMEs)?

II. LITERATURE REVIEW

With the vast amount of research focused on how strategic management impacts organizational performance in large corporations, there is a length of ease studying large corporations, compared to Small and Medium sized Enterprises (SMEs). SMEs have a

high variation of criteria between qualitative and quantitative, that there is no clear definition that anyone can adhere to (Abosede et al., 2016). Quantitative criteria include such factors as number of employees, working capital, gross profit, and market share, whereas qualitative criteria include owner – manager type, organizational hierarchy, and strategic management (Abosede et al., 2016). Meanwhile, the definition of SMEs varies across industry, market, or even geographical location.

Even though SMEs are smaller and less complex, they tend to have the greatest challenge trying to implement strategic management opportunities that would inhibit growth and profitability because there is a limited scope of understanding how to execute, but also the right people in place properly execute the strategies.

Relevance

The idea of strategic management is based on the premise of organizations developing their goals and objectives to create value and identifying opportunities through management. This is done by way of management utilizing the company's resources and assessing their internal and external environment where they compete (Samad et al., 2018). Effective strategic management requires the alignment of organizational resources with strategic goals, and the ability to adapt to changing environments (Samad et al., 2018).

The strategic management paradigms of SMEs, particularly in Kenya, are pivotal in delineating a trajectory for organizational success. Research by Njeru, Gacheri K. has illuminated that the top 100 SMEs surveyed uniformly possessed articulated mission and vision statements, highlighting the quintessential role of strategic management. This

phenomenon underscores the cognizance among SMEs of the imperative need for a well-defined direction and objectives to steer their strategic choices and initiatives.

Incorporating strategic management practices, such as crafting explicit mission and vision statements, is paramount in equipping SMEs with the requisite tools for endurance, expansion, and a competitive edge. The strategic planning process is characterized by its inclusive nature, engaging employees across the hierarchy, thereby fostering a collective sense of ownership and dedication towards the firm's strategic aspirations.

Furthermore, empirical evidence suggests a correlation between strategic management practices and organizational performance, positing that SMEs with robust strategic planning and lucid mission and vision statements are predisposed to superior performance (Sohl, Vroom, & McCann, 2020). This assertion is bolstered by the study's findings, which accentuate the nexus between strategic management practices, including a well-articulated mission and vision, and organizational performance.

Conclusively, the research posits that a transparent mission and vision are integral to the strategic management framework within SMEs, exerting a considerable influence on organizational performance. The literature advocates for an inclusive strategic management process, ensuring that employees are well-versed and invested in the firm's strategic direction, culminating in enhanced performance and a sustainable competitive advantage (Latifah et al, 2021; Miller, 1987; Murphy et al., 1996).

Strategic Direction

Strategic direction is a fundamental aspect of strategic management that helps organizations adapt to their external environment. This process involves the systematic scanning, monitoring, and evaluation of external factors that could impact an

organization's performance (Njeru & Gacheri, 2019). According to Escribá-Esteve et al. (2009), environmental analysis enables firms to identify threats and opportunities in their external business environment, which is crucial for developing effective strategic plans. The analysis typically focuses on political, economic, social, technological, environmental, and legal (PESTEL) factors, providing a comprehensive overview of the environment in which a business operates.

In strategic management, the purpose of environmental analysis is not only to understand the external conditions but also to align the organization's internal capabilities and strategies with these conditions (Samad, Alghafis, & Al-Zuman, 2018). This alignment is vital for enhancing organizational agility and competitive advantage. The study by Njeru and Gacheri (2019) emphasizes that strategic alignment involves adjustments in organizational structure and processes to optimize responsiveness to external changes. Consequently, firms that effectively integrate environmental analysis into their strategic management processes are better positioned to anticipate market shifts and respond proactively.

Furthermore, environmental analysis contributes to strategic decision-making by providing critical information that supports the development of strategic initiatives (Escribá-Esteve et al., 2009). It serves as a tool for risk assessment by highlighting potential challenges that could derail strategic plans. For instance, understanding technological advancements through environmental scanning can help firms to innovate and maintain relevance in rapidly changing industries. The role of strategic direction in mitigating risks associated with strategic decisions is well-documented, demonstrating its importance in sustaining business growth and stability.

Despite its critical role, the effectiveness of environmental analysis depends on the accuracy and timeliness of the information gathered and the firm's ability to interpret and act on this information (Samad, Alghafis, & Al-Zuman, 2018). Challenges such as information overload, biases in analysis, and the dynamic nature of external factors can impede the effectiveness of environmental analysis. Therefore, ongoing research and methodological advancements are essential to enhance the reliability and utility of environmental analysis in strategic management, ensuring that organizations can adeptly navigate their complex and ever-evolving business landscapes.

Human Capital

Conducting a resource assessment is a cornerstone of strategic management, serving as an essential element for discerning an organization's inherent strengths and its capacity to maintain a competitive edge. This critical evaluation encompasses both tangible and intangible assets, ranging from financial reserves and human talent to intellectual property and overall organizational prowess. The literature underscores that such assessments are instrumental for organizations to pinpoint their core competencies and limitations, thereby facilitating the optimal distribution of resources and the alignment of strategic endeavors with realistic objectives (Njeru & Gacheri, 2019). Beyond mere identification, this process also entails a rigorous analysis of the resources' potential to generate enduring value for the organization.

The strategic import of resource assessment is further magnified by its influence on strategic decision-making processes. It empowers organizations to methodically prioritize their operational and strategic undertakings, contingent upon the accessibility and robustness of their resources. For example, entities endowed with advanced

technological resources may opt for innovation-centric strategies, whereas those with a wealth of human capital may choose to amplify their service-oriented offerings (Samad, Alghafis, & Al-Zuman, 2018). Such strategic congruence is vital, as it directly impacts the organization's agility in navigating competitive landscapes and seizing market opportunities.

Additionally, resource assessment is a linchpin in the strategic planning continuum, acting as the conduit between the conceptualization of strategy and its operationalization. Furnished with a comprehensive inventory of resources, managers are better positioned to formulate actionable plans and establish attainable targets. Scholarly research posits that meticulous resource assessments can significantly bolster organizational performance by ensuring that strategic blueprints are both visionary and executable, given the organization's extant and prospective resources (Dyduch, 2017). This harmonization of resources with the organization's strategic vision and goals guarantees that execution is both efficacious and economical.

Notwithstanding its criticality, the challenge resides in the precise evaluation and deployment of resources to maximize their strategic contribution. Discrepancies in resource alignment or mismanagement can precipitate strategic setbacks or squandered prospects. Continuous reassessment and reallocation of resources are imperative to remain attuned to evolving market exigencies and organizational shifts. The dynamic capability paradigm expounded in the literature accentuates the necessity of not only appraising but also perpetually refining and reconfiguring organizational resources to sustain a competitive vantage in a dynamic milieu (Samad, Alghafis, & Al-Zuman, 2018).

Strategy Implementation

The formulation and execution of strategy stand as pivotal components in the framework of strategic management, critically influencing the direction and effectiveness of SMEs. Njeru's (2014) research within Kenya's top SMEs underscores the importance of these activities. The study revealed a shared commitment to strategic formulation processes, including situational analysis, and the development of vision and mission statements, all grounded in core values. It is contended that SMEs that engage in a systematic and inclusive approach to strategy development, involving both management and employees, are more likely to experience significant improvements in organizational performance. The research also indicated that the engagement of external consultants often enhances the strategy formulation process, establishing it as a key activity for SMEs.

Moreover, the study sheds light on the collaborative aspect of strategy implementation, showing that the responsibility for carrying out strategy extends beyond managerial levels to include all employees. This collective approach is thought to cultivate a sense of ownership, which is associated with better implementation outcomes. Importantly, the effectiveness of strategy implementation is reliant on well-defined objectives and expected performance results, supported by motivational systems to ensure the realization of strategic plans. The careful allocation of resources and the alignment of organizational strategy with the organizational structure are also emphasized as essential for successful strategy implementation.

Additionally, Njeru's (2014) findings demonstrate a statistically significant association between strategic management practices and SME performance, with a

correlation coefficient of 0.48, suggesting that these practices can explain about 23% of the variance in organizational performance among the surveyed SMEs. These results support the resource-based view and Ansoff's strategic success theory, providing empirical evidence for theories that advocate for the alignment of strategic actions with organizational capabilities and environmental demands.

The literature suggests that the adoption of comprehensive strategic management practices, including both formulation and implementation, can serve as a driving force for SME performance. The cooperative nature of these practices, their responsiveness to environmental dynamics, and the emphasis on strategic objectives and resource management together create a strategic framework that is linked to enhanced performance and a sustainable competitive edge for SMEs.

Effective communication is a critical component of strategic management, serving as the conduit for conveying strategic vision, aligning team efforts, and facilitating the successful implementation of business strategies. The literature provides a wealth of insights into the multifaceted relationship between communication practices and strategic management outcomes.

Sohl, Vroom, and McCann (2020) explore the concept of business model diversification from a demand-side perspective, highlighting the importance of communication in understanding and responding to consumer needs. Their study suggests that firms that effectively communicate and adapt their business models to meet diverse consumer demands tend to experience improved performance. This underscores the role of strategic communication in fostering a responsive and flexible business approach¹.

Latifah, Setiawan, Aryani, and Rahmawati (2021) delve into the relationship between business strategy and performance in micro, small, and medium enterprises (MSMEs), with a particular focus on the mediating roles of innovation and accounting information systems. The authors emphasize that clear communication of business strategies and the integration of innovative practices and robust information systems are pivotal in enhancing MSME performance².

Miller's (1987) seminal work on strategy making and structure examines the interplay between organizational communication structures and strategic decision-making processes. The study posits that an organization's communication framework must be complementary to its strategy-making processes to ensure optimal performance, especially under challenging conditions³.

Murphy, Trailer, and Hill (1996) address the challenges of measuring performance in entrepreneurship research, noting the diversity of performance measures used across studies. Their findings highlight the need for consistent and clear communication of performance metrics to facilitate comparability and generalization of research findings⁴.

In synthesizing these sources, it becomes evident that communication is not merely a support function but a strategic asset that can significantly influence a firm's adaptability, innovation capacity, and overall performance. The literature collectively advocates for a strategic management approach that prioritizes effective communication to align internal processes with external market demands, thereby driving organizational success.

Organizational Performance

Organizational performance has significant impacts on small and medium-sized enterprises (SMEs) in several ways. SMEs are important drivers of economic growth and

development, and their performance can have a significant impact on the broader economy.

One of the impacts of organizational performance on SMEs is increased profitability. It has also been found that firms with higher levels of organizational performance have higher profitability (Datta et al., 2018). This is particularly important for SMEs, as they often operate on limited budgets and resources.

Moreover, organizational performance has been found to impact SMEs' ability to attract and retain talented employees. Ali and Ahmad found that higher levels of organizational performance were associated with better employee satisfaction and retention in SMEs (Ali & Ahmad, 2017). This is critical for SMEs, as they often face challenges in attracting and retaining talented employees due to their limited resources and competitiveness with larger firms.

Organizational performance can impact SMEs' ability to access financing and investment. There is also evidence found that higher levels of organizational performance were associated with better access to financing and investment for SMEs (Beck et al., 2019). This is important for SMEs, as they often face challenges in accessing financing due to their size and limited history.

Additionally, organizational performance can impact SMEs' reputation and brand image. A study by Nguyen and Nguyen found that higher levels of organizational performance were associated with better brand image and reputation for SMEs (Nguyen & Nguyen, 2018). This is critical for SMEs, as their reputation and brand image can impact their ability to attract customers and compete in the marketplace.

Increased profitability, employee retention, access to financing and investment, and brand image are all critical impacts of organizational performance on SMEs. SMEs must prioritize organizational performance to remain competitive and achieve their business goals and objectives.

III. RESEARCH MODEL AND HYPOTHESIS

Relevance to Company

The justification for Hypothesis 1 (H1), which posits that any relevance to the company (Calder, W.B., 2014), positively affect perceived organizational performance in SMEs, can be drawn from the empirical findings and theoretical frameworks discussed in the study by Njeru et al. (2015). The research underscores the centrality of mission and vision statements in providing strategic direction for SMEs. The study found that all surveyed SMEs had formally written mission and vision statements, reflecting the weight they place on a clear articulation of their strategic intents and objectives.

The development of mission and vision statements is often driven by top management, signifying their role in shaping the strategic outlook of the company. However, the research also points out that involving all employees in this process is critical, ensuring that the entire workforce is aligned with the organization's goals and is working cohesively towards their achievement. This inclusive approach not only facilitates a broader ownership of the strategic direction but also fosters commitment across all levels of the organization, which is imperative for the successful implementation of strategic initiatives.

Further, the hypothesis suggests that greater clarity, relevance, and specificity in the mission and vision statements are associated with higher perceived organizational

performance. Njeru et al. (2015) contend that well-defined and effectively communicated strategic statements are a significant factor in superior strategic management practices, which in turn are linked to enhanced organizational performance. The study demonstrates that SMEs with clearly articulated, and regularly revisited mission and vision statements are more likely to report better performance metrics, indicating the importance of strategic clarity for business success.

H1: Relevance (Calder, W.B., 2014) to organization's mission and vision positively affect perceived organizational performance in SMEs.

Strategic Direction

Hypothesis 2 (H2) posits that a comprehensive strategic direction correlates with an enhancement in perceived organizational performance among SMEs. This hypothesis is substantiated by a confluence of empirical research and theoretical frameworks.

The research conducted by Njeru et al. (2015) provides empirical support for H2, demonstrating that strategic management practices, inclusive of extensive environmental analysis, are positively linked to SME performance. The study emphasizes that SMEs that engage in strategic planning and environmental scrutiny tend to outperform their counterparts. This is attributed to their capacity to devise market-responsive strategies, grounded in a thorough situational analysis, strategy development, execution, and assessment—each a vital step for adapting to environmental shifts. The strategic advantage gained through environmental analysis is associated with a competitive advantage, culminating in improved organizational performance (Ittner et al, 2003).

Moreover, the study indicates that SMEs with a focus on environmental analysis are better equipped to foresee and adeptly maneuver through the volatile and complex

market landscapes. The correlation coefficient of 0.48 reported by Njeru et al. (2015) suggests that strategic management practices, including environmental analysis, can account for approximately 23% of the variance in organizational performance among SMEs. This finding implies a significant impact of environmental analysis on SMEs' performance, highlighting its importance as a component of strategic management (Ittner et al, 2003).

H2: Strategic direction (Ittner et al, 2003) is associated with improved perceived organizational performance in SMEs.

Human Capital

The justification for Hypothesis 3 (H3) on resource assessment's impact on organizational performance is substantiated through a combination of empirical findings and theoretical discourse, as gleaned from the attached journal articles and research papers.

Strategic resource assessment is pivotal in shaping the performance outcomes of SMEs. In the research conducted by Njeru et al. (2015), it is posited that SMEs with superior strategic management practices, inclusive of resource assessment, often achieve better performance metrics. This study demonstrated that SMEs' strategic management practices, including the evaluation and proper allocation of resources, have a direct correlation with improved organizational performance, underscoring the significance of resource management in realizing strategic objectives .

Additionally, Delaney and Huselid (1996) provide insights into the broader impacts of human resource management practices on perceptions of organizational performance. Their research suggests a positive association between the management of

human resources, such as training and staffing selectivity, and the performance perceptions within organizations. This link emphasizes the importance of effectively assessing and managing human resources as part of an overarching resource assessment strategy to enhance firm performance outcomes .

These findings collectively affirm the critical role of resource assessment in SMEs, influencing a sizable portion of organizational performance variations. The ability of SMEs to judiciously evaluate and manage resources, spanning from financial assets to human capital, has been identified as a core determinant of their competitive edge and ability to thrive amidst market challenges. Thus, hypothesis H3 is grounded in the empirical evidence that a systematic and strategic assessment of resources is instrumental in driving the performance of SMEs forward.

H3: Human capital (Folloni, G., & Vittadini, G., 2010) in relation to experience enhances perceived organizational performance in SMEs.

Strategy Implementation

The justification for Hypothesis 4 (H4), which states that proper strategy formulation and implementation are key to perceived organizational performance in SMEs, is strongly supported by empirical research and theoretical analysis found in the provided sources.

Strategy formulation and implementation are critical elements of strategic management that directly influence the operational success and competitive positioning of SMEs.

According to Njeru et al. (2015), SMEs that actively engage in strategic planning processes, including the detailed formulation and careful implementation of strategies, exhibit significantly better performance outcomes. The study highlights the importance of

these processes in aligning organizational resources and capabilities with market opportunities and threats, thereby enhancing the overall effectiveness and efficiency of the organization.

Furthermore, the research underscores that SMEs benefit from a systematic approach to strategy implementation, which involves clear goal setting, effective resource allocation, and rigorous performance monitoring. This approach ensures that strategic initiatives are executed within the planned scope and timelines and are adjusted in response to feedback and changing conditions in the business environment. The positive impact of such strategic practices on organizational performance is evidenced by their association with improved market share, profitability, and growth in the SME sector.

These findings collectively affirm the hypothesis that strategy formulation and implementation are essential for driving superior performance in SMEs. The integration of strategic planning and execution processes plays a pivotal role in ensuring that SMEs not only survive but thrive in competitive markets. Thus, H4 is grounded on the empirical evidence that highlights the significant role of strategic management practices in enhancing organizational performance.

H4: Proper strategy implementation (Amoo, N. et. al, 2019) are key to perceived organizational performance in SMEs.

Communication

The justification for Hypothesis 5 (H5), which asserts that effective communication within an organization leads to improved perceived organizational performance in SMEs, is supported by findings from the existing literature.

Effective communication is a fundamental component of strategic management, impacting how well strategies are understood, implemented, and adjusted within an organization. The research indicates that when communication processes are clear, consistent, and inclusive, organizations experience better alignment and integration of their strategic initiatives. This fosters an environment where employees are more aware of their roles and how they contribute to organizational goals, leading to higher efficiency and effectiveness in operational activities. Such environments also facilitate quicker and more effective decision-making, enhancing an organization's ability to adapt to changes and capitalize on opportunities.

Moreover, the research highlights that organizations with robust communication systems benefit from improved feedback mechanisms, which are crucial for continuous improvement and innovation. These systems help in identifying issues early, allowing for timely adjustments to strategies and operations, thus maintaining or enhancing organizational performance. Studies have shown that SMEs that prioritize effective communication channels and practices not only enhance internal workflow but also boost stakeholder engagement and satisfaction, which are vital for long-term success and competitive advantage.

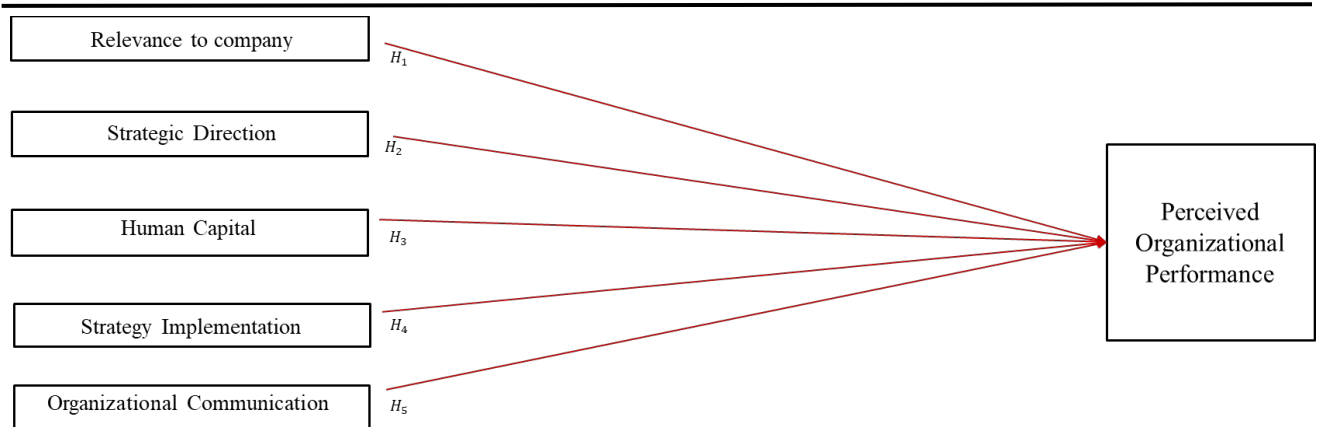
Therefore, Hypothesis 5 is grounded on substantial empirical evidence demonstrating that strategic communication significantly influences organizational performance by ensuring that all organizational members are engaged, informed, and responsive to the dynamic business environment. This supports the idea that effective communication is not just about exchanging information but also about building a collaborative and adaptive organizational culture.

H5: Perceived Influence (Downs, C. W., DeWine, S., & Greenbaum, H. H., 2020) within an organization leads to improved perceived organizational performance in SMEs.

The table below summarizes the constructs defined in the study and the hypotheses from the theoretical justification proposing that by developing a clear vision, conducting thorough analyses, leveraging internal strengths, executing well-defined strategies, and continuously monitoring and adapting, organizations can navigate the complexities of the business landscape and position themselves for improved perceived organizational performance.

Conceptual Research Model

Figure 1. Conceptual Research Model



IV. METHODOLOGY

Construct Measures

Operationalizing 'Clear Mission and Vision' involves assessing the extent to which an organization's mission and vision are clearly articulated, understood, and integrated into the strategic planning and daily operations. To measure this variable, surveys can include questions that evaluate the clarity, specificity, relevance, and

inspirational impact of the mission and vision statements on employees. Responses can be gathered using a Likert scale to determine how strongly employees agree or disagree with statements regarding their awareness and understanding of these organizational directives. Additionally, the degree of consensus among employees about the mission and vision can be evaluated to understand how well these elements are embedded within the organizational culture. This operational approach helps in quantifying the alignment of the organization's stated goals with its operational practices and the motivational impact on its workforce.

For 'Environmental Analysis', the operationalization process involves measuring how effectively an organization identifies and responds to external and internal environmental factors that could impact its performance. This can be measured by including survey items that ask about the frequency, thoroughness, and scope of environmental scanning activities. Specific aspects such as market trends analysis, competitive analysis, understanding regulatory changes, and technological advancements can be included to assess how well the organization keeps abreast of critical changes and integrates this information into strategic decision-making. The effectiveness of these activities can be linked to how well they help the organization in identifying opportunities and threats, thereby supporting strategic alignment and responsiveness.

Operationalizing 'Resource Assessment' entails evaluating how well an organization identifies, manages, and allocates its resources, including financial, human, physical, and intellectual capital, to achieve strategic objectives. This can be measured by survey questions that ask respondents to rate the adequacy, management effectiveness, and alignment of resources with the organization's strategic goals. The assessment can

extend to understanding how these resources are reviewed for their efficiency and effectiveness, and how resource limitations or strengths impact strategic choices and organizational performance.

To operationalize 'Strategy Implementation', it is necessary to measure both the process of strategy development and the effectiveness of its execution. This includes assessing how strategies are formulated, the clarity of goal setting, the alignment of strategies with organizational mission and vision, and the adequacy of resource allocation to support these strategies. Implementation effectiveness can be gauged through questions on how well the strategies are communicated, monitored, and adapted over time. This operationalization helps in understanding the practical application of strategic plans and their impact on organizational performance.

Operationalizing 'Communication' involves assessing the effectiveness, clarity, frequency, and mediums of internal communications within an organization. This can be measured by survey items that explore how information is disseminated throughout the organization, the effectiveness of different communication channels, and the engagement levels of stakeholders in communication processes. Additionally, the effectiveness of feedback mechanisms and their role in continuous improvement processes can be evaluated to understand the impact of communication on organizational agility and performance.

'Perceived Organizational Performance' is operationalized by measuring the internal and external perceptions of an organization's performance across various dimensions such as quality, efficiency, employee satisfaction, and customer satisfaction. This can be done through surveys asking stakeholders to rate their satisfaction with these

aspects and whether the organization meets, exceeds, or falls short of performance expectations. This approach allows for a comprehensive assessment of performance from multiple perspectives, providing a nuanced understanding of organizational effectiveness.

Table 1. Construct Definitions

Variable	Variable Type	Variable Defined/Described
Relevance to company	Independent Variable	the extent to which these statements remain meaningful, tangible, and understandable through ongoing evaluation processes (Calder, W.B., 2014).
Strategic Direction	Independent Variable	the clear articulation of an organization's purpose, goals, and vision, guiding decision-making at all stages of the strategic development process to achieve a desired future state that aligns with the organization's capabilities and stakeholder interests (Tapinos, 2005).
Human Capital	Independent Variable	the combination of an individual's knowledge, skills, abilities, and experience that enhance their productivity and value within an organization (Dar, I. A., & Mishra, M., 2021).
Strategy Implementation	Independent Variable	the process of translating an organization's strategy into action through effective integration of organizational structures, resource allocation, and management of strategic change (Amoo, N. et. al, 2019).
Organizational Communication	Independent Variable	The process of exchanging information and meaning between or among individuals through a common system of symbols, signs, and behavior (Blazenaite, A., 2011).
Perceived Organizational Performance	Dependent Variable	Defined as the overall perception of organizational effectiveness as reflected in such indicators as quality, efficiency, and employee satisfaction (Huselid & Delaney, 1996).

Survey Design

The survey instrument was structured to ensure comprehensive measurement of all constructs in the study. Each construct was measured using multiple items based on previously validated scales found in the literature. A 7-point Likert scale was employed to allow respondents to express their level of agreement or disagreement with various statements, ranging from 1 (strongly disagree) to 7 (strongly agree). This approach was chosen to enhance response sensitivity and improve data variability for more accurate statistical analysis.

The survey was divided into different sections, each corresponding to one of the study's constructs: strategic direction, human capital, strategy implementation, organizational communication, and mission relevance. Each section contained multiple items carefully worded to maintain clarity and avoid response bias. To ensure a logical flow, the survey began with general demographic questions before moving into the specific construct-related questions.

Upon completion of data collection, a data scrubbing process was conducted to enhance accuracy and reliability. This involved screening for incomplete responses, identifying inconsistent or extreme outliers, and ensuring all responses met the study's qualifying criteria. A total of 145 responses were initially collected; after thorough cleaning, 120 valid responses were retained for hypothesis testing and SEM analysis.

Data integrity was further ensured by checking for response consistency and identifying any potential biases that could impact findings. This included analyzing response distributions and ensuring adequate variation across the Likert scale responses.

By implementing these quality control measures, the study was able to maintain a high level of data accuracy and reliability for subsequent statistical analysis.

Informed Pilot

The informed pilot study was conducted with the participation of four doctoral students from diverse academic backgrounds. The primary aim was to assess and refine the survey instrument to ensure its clarity, comprehensiveness, and alignment with the research objectives. Feedback from these participants provided crucial insights that shaped the final design of the survey for the subsequent full pilot study.

The informed pilot included four doctoral students, each bringing unique perspectives based on their academic focus and personal experiences with the subject matter. One doctoral student specialized in Organizational Behavior, who provided insights into the behavioral aspects of the survey questions. Another student with a background in Strategic Management, who offered feedback on the alignment of questions with theoretical frameworks. There was also a student focusing on Marketing, who emphasized the importance of capturing user preferences and satisfaction. I was also able to find a student studying Educational Leadership, who contributed perspectives on clarity and comprehension for diverse audiences.

The informed pilot aimed to determine if the questions were easy to understand and free from ambiguity by highlighting gaps in the survey, ensuring all relevant aspects of the research topic were addressed. It was also able to confirm that the questions were aligned with the research objectives and effectively captured the intended data. Another aspect was to examine the order and flow of the questions to ensure a logical and engaging progression for respondents.

Participants were asked to provide feedback in question characteristics such as clarity, relevance, and alignment with the topic. Also to look for potential issues like identification of biased, double-barreled, or ambiguous questions. Additional Suggestions: Suggestions for new questions or improvements based on the participants' expertise and experiences. The feedback from the doctoral students highlighted several critical areas for refinement in clarity and simplicity, which they noted that some questions contained technical jargon that might confuse respondents. Suggestions included rephrasing these questions to use more accessible language.

Also, they identified relevance to research objectives in which they emphasized the need to include questions related to regional and demographic factors, which were initially underrepresented. Feedback on the flow of the survey indicated a need to group related questions together to improve respondent engagement and reduce cognitive load. The participants also suggested adding questions about external influences, such as technological advancements or socio-economic factors, that could impact the research topic.

The informed pilot provided invaluable guidance for refining the survey instrument: to improved clarity based on participant feedback ensured that the survey was easier to understand for a broader audience. It also enabled us to address gaps identified during the pilot, the survey now captures a more comprehensive range of data relevant to the research objectives. Also, adjustments to the order and grouping of questions improved the overall flow and respondent experience.

The informed pilot study demonstrated the value of incorporating diverse perspectives in the survey development process. Feedback from the four doctoral students

not only enhanced the clarity and relevance of the instrument but also ensured that it was well-aligned with the research objectives. This iterative refinement process laid a strong foundation for the subsequent full pilot study, increasing the likelihood of obtaining meaningful and actionable data.

Main Study

The main study of this research was designed to be a quantitative analysis with the intention of understanding perceived organizational performance in small businesses, examining the effects of relevance, strategic direction, human capital strategy implementation and organizational communication. The study aims to assess the degree to which these factors influence a small business's perceived organizational performance. The main study was conducted with 145 survey participants, and upon scrubbing the raw data collected, 120 valid responses were retained for further analysis. There 25 incomplete responses, and no failed attention checks were recorded, as the average completion time was approximately 6 minutes.

Demographic data was obtained while running the data, in which 64.2% of the valid responses were recorded as males, and the remaining 35.8% were female (Table 2). At least 84% of the total respondents had a minimum of a bachelor's degree, and the complete breakdown of the educational background is in Table 3.

Table 2 Gender Breakdown

	N	%
Male	77	64.2
Female	43	35.8
Total	120	100

Table 3 Education Breakdown

	N	%
HS	19	15.8
Bachelors Degree	60	50.0
Masters Degree	32	27
Doctorate/PhD	9	8

It was also important to understand the respondent's age range and level of experience as that would potentially impact the way they responded to the questions, but

more importantly a breakdown of the age ranges and level of experience in Table 4 and Table 5, respectively.

Table 4 Age Range

	N	%		N	%
< 30	4	3.3	< 2 years	1	0.8
30 - 39	15	12.5	2 - 3 years	10	8.3
40 - 49	33	28	4 - 5 years	6	5.0
50 - 59	35	29	> 5 years	103	85.8
> 60	38	31.2			

Descriptive statistics provide insights into data normality before conducting the more advanced statistical analyses. It helps ensure the suitability of the structure for the eventual hypothesis testing and reducing potential bias. It also provides a clearer picture of the respondent's characteristics and over trends.

Table 1 Descriptive Statistics of Main Study (N=120)

Construct		N	Mean	SD	Variance
Relevance (Calder, W.B., 2014)	REL_1	120	5.43	1.174	0.7820
	REL_2	120	5.11	1.290	0.6710
	REL_3	120	5.08	1.288	0.5840
	REL_4	120	4.99	1.393	0.4900
	REL_5	120	5.33	1.312	0.7150
Strategic Direction (Ittner, C.D. & Lacker, D.F., 2005)	SD_1	120	5.37	1.231	0.8760
	SD_2	120	5.21	1.244	0.7810
	SD_3	120	5.19	1.479	0.7810
	SD_4	120	5.16	1.455	0.5580
	SD_5	120	5.37	1.360	0.7890
Human Capital (Folloni, G. & Vittadini, G., 2010)	HC_10	120	5.76	1.065	1.3090
	HC_4	120	5.77	1.167	0.9170
	HC_5	120	5.96	1.098	1.1510
	HC_6	120	5.99	1.144	1.3130
	HC_8	120	5.74	1.242	1.4710
Strategic Implementation (Amoo, N., et al., 2019)	SI_4	120	4.94	1.462	0.4880
	SI_5	120	4.98	1.491	0.5100
	SI_6	120	5.12	1.205	0.6730
	SI_7	120	4.82	1.354	0.5060
	SI_8	120	5.06	1.362	0.6970
Communication (Blazenaite, A., 2011)	OC_4	120	5.48	1.258	0.6950
	OC_5	120	5.56	1.264	0.7880
	OC_6	120	5.69	1.031	1.4660
	OC_7	120	5.85	0.946	1.0940
	OC_8	120	5.60	1.193	0.8010
Perceived Organizational Performance (Delaney & Huselid, 1996)	PER_4	120	6.00	1.088	1.3560
	PER_6	120	6.15	0.771	1.5780
	PER_7	120	5.82	1.000	0.9680
	PER_8	120	5.90	1.106	1.2370

V. Data Analysis and Results

For the data analysis of the main study, SmartPLS 4, a powerful software tool designed for partial least squares structural equation modeling (PLS-SEM), enabling researchers to analyze complex relationships between latent variables in both exploratory and confirmatory research. Its primary purpose is to facilitate variance-based SEM analysis, making it particularly useful for studies involving predictive modeling, small sample sizes, and non-normal data distributions. Researchers across business and social

sciences widely use SmartPLS 4 to evaluate causal relationships, test mediation and moderation effects, and assess model reliability and validity. Given that my analysis focuses on understanding the impact of strategic management on small business performance, SmartPLS 4 is an ideal choice as it allows for robust predictive modeling, efficient handling of multiple indicators, and an improved understanding of complex interactions between factors.

Construct Reliability and Validity – Overview

Table 1.2 presents key construct reliability and validity measures used to assess the internal consistency, composite reliability, and convergent validity of latent constructs. These measures ensure that the constructs in the model are both reliable and valid for further analysis. Cronbach's Alpha values for all constructs exceeded the 0.70 threshold, signifying strong internal consistency. This suggests that the items within each construct were reliably measuring the same underlying latent variable. The decision to assess alpha aligns with prior quantitative studies that stress the importance of reliability in empirical SEM analyses (Vidotto et al., 2017). Composite reliability (rho_c) further confirmed the measurement robustness, with all constructs ranging from 0.857 to 0.948. Composite reliability is preferred over Cronbach's alpha in PLS-SEM due to its consideration of factor loadings and measurement error. These findings align with prior work by Vidotto et al. (2017), who emphasized the importance of internal reliability for human capital and strategy-related scales in performance research.

Additionally, Convergent validity was evaluated through Average Variance Extracted (AVE). All constructs surpassed the 0.50 threshold, indicating that over 50% of the variance in the measurement items was explained by the corresponding latent

variable. The constructs with the strongest AVEs—Strategy Implementation (0.787) and Strategic Direction (0.708)—reflect their significant contribution to the structural model. This result supports prior assertions that implementation mechanisms and directional clarity significantly enhance construct validity in organizational research (Amoo et al., 2019; Tapinos, 2005).

These results are significant as they justify the use of these constructs in further SEM analysis, such as hypothesis testing and path modeling. The strong reliability metrics indicate robustness, ensuring that the study's findings are based on well-constructed and stable variables. The high AVE values further support the validity of the measurement model, confirming that each construct captures a substantial proportion of variance. Constructs with the highest AVE values, such as SI (0.787) and SD (0.708), demonstrate greater explanatory power, suggesting they may have a stronger influence within the model.

Overall, this table confirms that the constructs in the study demonstrate strong reliability and validity, making them appropriate for further analysis. Since all reliability metrics are well above the recommended cutoffs, the measurement model can be confidently applied for structural equation modeling and hypothesis testing. These results in Table 6 enhance the credibility of the study's findings, ensuring that the constructs used effectively measure the intended concepts.

The Fornell-Larcker criterion, which evaluates whether latent constructs in a model are distinct from one another (Yau & Lee, 2024). To assess discriminant validity, both the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT) were employed. Following the method outlined by Yau and Lee (2024), discriminant validity

via Fornell-Larcker was confirmed, as the square root of each construct's AVE exceeded the inter-construct correlations. For instance, constructs such as HC (0.820) and SI (0.887) exhibited diagonal values larger than all off-diagonal correlations in their respective rows and columns, indicating that they captured distinct concepts within the model.

In this table, the diagonal values for HC (0.820), OC (0.821), PER (0.775), REL (0.827), SD (0.841), and SI (0.887) are all higher than the correlation values in their respective rows and columns. The highest correlation observed is 0.620 (between OC and SI), which remains lower than both constructs' AVE square roots (0.821 and 0.887, respectively). Since all constructs meet the Fornell-Larcker criterion, this confirms strong discriminant validity, meaning that each construct is sufficiently distinct from the others and does not suffer from excessive conceptual overlap.

Establishing discriminant validity is crucial in structural equation modeling (SEM) as it ensures that each construct measures a distinct concept, reduces multicollinearity concerns, and allows for more accurate path coefficient estimations. It also confirms that the model properly differentiates between theoretical constructs, enhancing the credibility of the results. The purpose of conducting a Fornell-Larcker analysis is to verify that the constructs in the study do not overlap excessively and measure distinct theoretical concepts. These findings ensure that the structural model can be confidently used for further hypothesis testing and path analysis. Without discriminant validity, there would be a risk that different constructs are measuring the same concept, leading to misleading conclusions.

Since all constructs meet the Fornell-Larcker criterion, the study can confidently proceed with hypothesis testing and further analysis. The high diagonal values confirm that each construct has a strong relationship with its own indicators, reinforcing construct validity, while the moderate inter-construct correlations indicate that while constructs are related, they remain conceptually distinct, which is desirable in SEM. Overall, this table confirms that the constructs in the study exhibit strong discriminant validity, meaning each variable uniquely contributes to the model. With all diagonal values exceeding the correlations with other constructs, we can conclude that the constructs are distinct, reliable, and well-suited for further analysis using. The findings in Table 7 enhance the robustness of the measurement model and ensure that the structural model can be tested with confidence.

Table 2 Construct Reliability and Correlations

	α	AVE	HC	OC	PER	REL	SD	SI
HC	0.879	0.672	0.82					
OC	0.877	0.674	0.213	0.821				
PER	0.777	0.601	0.408	0.424	0.775			
REL	0.885	0.684	0.416	0.48	0.404	0.827		
SD	0.897	0.708	0.49	0.438	0.35	0.633	0.841	
SI	0.932	0.787	0.295	0.62	0.502	0.48	0.443	0.887

Heterotrait – Monotrait Ratio (HTMT)

In Table 7, I further assess discriminant validity beyond the Fornell-Larcker criterion, by employing the Heterotrait-Monotrait (HTMT) ratio of correlations, a more stringent and statistically robust method for verifying construct distinctiveness in PLS-SEM. HTMT has been increasingly recognized in SEM literature as a superior technique due to its ability to detect lack of discriminant validity where traditional methods may fall short (Sund, Galavan, & Borgers, 2021). The HTMT ratio is based on the idea that the correlations between indicators of different constructs (heterotrait correlations) should be

lower than the correlations within the same construct (monotrait correlations) (Samsa, 2024). This method provides a more robust assessment of discriminant validity than traditional approaches, such as the Fornell-Larcker criterion.

Following the methodological recommendations of Samsa (2024), HTMT values in this study were calculated between all pairs of latent variables. The resulting values ranged from 0.229 to 0.706. These are well below the conservative threshold of 0.85 recommended for social science research, indicating that the constructs used in this model are sufficiently distinct from one another. The highest HTMT value, between Strategic Direction (SD) and Mission Relevance (REL), was 0.706—still within the acceptable range, while the lowest, between Human Capital (HC) and Organizational Communication (OC), was 0.229, indicating strong conceptual independence.

Establishing discriminant validity using the HTMT criterion is essential in structural equation modeling (SEM) to ensure that each construct measures a unique aspect of the model and is not excessively correlated with others. The use of HTMT supports the confirmation of discriminant validity, as constructs must demonstrate that the correlation between items across different constructs (heterotrait) is lower than correlations between items within the same construct (monotrait). By meeting this criterion, the model mitigates risks of construct redundancy and strengthens the reliability of subsequent path analysis (Sund et al., 2021).

The purpose of conducting HTMT analysis is to verify that constructs do not share excessive variance, which could lead to conceptual redundancy and weaken the model's explanatory power. By meeting the HTMT threshold criteria, this study ensures that the relationships between constructs can be accurately tested without concerns of

excessive overlap. Since all constructs pass the HTMT test, we can confidently proceed with further hypothesis testing and path modeling, knowing that the constructs are distinct and reliable. These findings enhance the measurement model's robustness, reinforcing the credibility and validity of the research results.

	HC	OC	PER	REL	SD	SI
HC						
OC	0.229					
PER	0.483	0.493				
REL	0.463	0.536	0.458			
SD	0.548	0.472	0.412	0.706		
SI	0.316	0.678	0.582	0.525	0.479	

These findings affirm that the study's measurement model meets modern statistical standards and is appropriate for hypothesis testing. The results support prior studies on strategic management and organizational performance that emphasized methodological rigor in validating latent constructs (Amoo et al., 2019; McAdam, Miller, & McSorley, 2019). In particular, ensuring discriminant validity is essential when evaluating multidimensional constructs such as strategy implementation and communication—areas prone to conceptual overlap in SME contexts.

The results indicate strong discriminant validity, as the highest loadings for each item appear on their intended constructs. This is a positive indicator that the constructs are well-defined. For instance, HC10 (0.87) loads the highest on HC (Human Capital), and OC4 (0.882) loads the highest on OC (Organizational Communication), demonstrating that each item aligns well with its respective factor. Additionally, there are no severe cross-loading issues where an item loads higher on an unintended construct

than on its assigned construct. However, some items, such as REL1 (0.569 on OC) and SI4 (0.574 on OC), show moderate cross-loadings on other constructs, indicating potential conceptual overlap. Similarly, the Organizational Communication (OC) and Strategy Implementation (SI) constructs have some cross-loadings with each other, suggesting that respondents may perceive a connection between these two concepts. Likewise, some items under Mission Relevance (REL) and Strategic Direction (SD) have moderately high cross-loadings, indicating that participants may view these constructs as conceptually linked.

The significance of these findings lies in model validation, predictive accuracy, and practical decision-making for businesses. Since most items exhibit clear discriminant validity, the measurement model is robust and reliable, strengthening confidence in the study's findings when performing hypothesis testing. This validated model ensures that each construct remains distinct, thereby improving the accuracy of the relationships examined in the study. By confirming discriminant validity, the study enhances its predictive accuracy, helping to assess how strategic management practices impact organizational performance more effectively. Furthermore, organizations can use this validated model to measure key areas such as human capital, strategy implementation, and communication effectiveness, knowing that each construct is being measured separately and reliably.

Although the results confirm strong discriminant validity, certain improvements could further enhance measurement precision. Refining problematic items is an essential next step. Items like REL1 and SI4, which have notable cross-loadings on unintended constructs, could be improved by rewording survey questions to increase construct

specificity, clarifying definitions of overlapping constructs for respondents, or conducting exploratory factor analysis (EFA) before confirmatory factor analysis (CFA) to reassess construct assignments. Additionally, weak items with relatively low loadings on their assigned construct (typically below 0.7) may need to be reconsidered, reworded, or removed. Increasing the sample size in future research could further improve the stability of factor loadings and reduce measurement errors. If cross-loadings persist, conducting modification indices in CFA can help pinpoint problematic items for revision.

In Table 8, the cross-loadings analysis confirms that the constructs have strong discriminant validity, making the model reliable for further hypothesis testing. While some items exhibit moderate cross-loadings, they are not severe enough to threaten the overall model's integrity. By confirming discriminant validity using HTMT, the study reinforces the theoretical clarity and independence of each construct, an essential requirement for establishing credible causal relationships in the structural model. This analytical rigor enhances confidence in interpreting the model's findings on the impact of strategic management dimensions on perceived organizational performance in small businesses.

Table 4 Discriminant Validity - Cross Loadings

	HC	OC	PER	REL	SD	SI
HC_10	0.870	0.252	0.404	0.394	0.423	0.280
HC_4	0.810	0.078	0.318	0.278	0.411	0.227
HC_5	0.787	0.192	0.265	0.258	0.312	0.154
HC_6	0.790	0.121	0.296	0.306	0.393	0.176
HC_8	0.840	0.207	0.361	0.437	0.452	0.337
OC_4	0.210	0.882	0.384	0.441	0.417	0.553
OC_5	0.072	0.801	0.297	0.335	0.275	0.355
OC_6	0.249	0.704	0.383	0.322	0.331	0.610
OC_7	0.134	0.825	0.274	0.384	0.313	0.528
OC_8	0.170	0.879	0.365	0.469	0.414	0.458
PER_4	0.405	0.267	0.784	0.239	0.307	0.378
PER_6	0.160	0.451	0.700	0.390	0.285	0.349
PER_7	0.329	0.203	0.793	0.283	0.222	0.344
PER_8	0.367	0.367	0.818	0.331	0.265	0.467
REL_1	0.217	0.569	0.214	0.712	0.409	0.402
REL_2	0.413	0.309	0.302	0.838	0.507	0.371
REL_3	0.427	0.165	0.260	0.823	0.542	0.328
REL_4	0.367	0.412	0.369	0.912	0.621	0.470
REL_5	0.305	0.513	0.441	0.839	0.519	0.407
SD_1	0.349	0.476	0.291	0.554	0.854	0.421
SD_2	0.443	0.438	0.353	0.539	0.892	0.426
SD_3	0.457	0.232	0.236	0.518	0.812	0.293
SD_4	0.395	0.329	0.290	0.519	0.813	0.350
SD_5	0.425	0.317	0.284	0.539	0.832	0.350
SI_4	0.265	0.574	0.472	0.474	0.403	0.932
SI_5	0.256	0.595	0.454	0.460	0.353	0.881
SI_6	0.257	0.597	0.405	0.373	0.413	0.875
SI_7	0.308	0.444	0.447	0.401	0.417	0.830
SI_8	0.223	0.540	0.442	0.412	0.377	0.914

Findings

This table presents the bootstrapping results for hypothesis testing in structural equation modeling (SEM), providing insights into the strength and significance of relationships between latent variables. Bootstrapping is a resampling technique used in PLS-SEM to generate confidence intervals and test statistical significance, ensuring that the estimated relationships (betas) are stable and not influenced by sample-specific anomalies. The table includes key metrics such as original sample (O), sample mean (M),

standard deviation (STDEV), T-statistics, and P-values, which help determine whether the hypothesized relationships are statistically significant.

The original sample (O) column represents the path coefficients (beta values), which indicate the strength and direction of the relationships between the independent and dependent variables. A higher absolute beta value suggests a stronger relationship. The sample mean (M) is the average path coefficient across bootstrapped samples, and the standard deviation (STDEV) represents variability in the estimates. The T-statistics (O/STDEV) indicate the ratio of the coefficient to its standard error, which helps assess statistical significance. Typically, a T-statistic above 1.96 (for a 5% significance level) is considered significant. The P-value shows whether the relationship is statistically significant, with values below 0.05 indicating significance.

Examining the results, HC → PER (0.275, $p = 0.002$, $T = 3.04$) and SI → PER (0.307, $p = 0.003$, $T = 3.008$) are statistically significant, meaning Human Capital (HC) and Social Influence (SI) have a meaningful impact on Performance (PER). The relationships for OC → PER (0.139, $p = 0.212$), REL → PER (0.1, $p = 0.307$), and SD → PER (-0.047, $p = 0.686$) are not statistically significant as their P-values exceed 0.05, indicating no strong evidence that these constructs influence PER.

The significance of these results lies in their ability to confirm or reject hypothesized relationships, providing empirical validation for theoretical assumptions. The results indicate that Human Capital (HC) and Social Influence (SI) are strong predictors of Performance (PER), while Organizational Culture (OC), Relationship (REL), and Strategic Decision-Making (SD) do not show a significant impact. These

findings are crucial in refining theoretical models, guiding managerial decisions, and shaping further research directions.

To rigorously assess the statistical significance of the hypothesized relationships in the structural model, this study applied bootstrapping with 5,000 resamples using SmartPLS 4. Bootstrapping is a non-parametric statistical technique that repeatedly resamples from the dataset to estimate standard errors, t-statistics, and confidence intervals for model parameters. This method is particularly suitable for Partial Least Squares Structural Equation Modeling (PLS-SEM), especially when dealing with complex models and relatively small to medium sample sizes (Hair et al., 2019; Yau & Lee, 2024).

Bootstrapping enables the model to evaluate whether observed path coefficients are likely to occur in the population or are simply a result of sampling variability. Each of the five hypothesized paths was subjected to this method, with 5,000 iterations producing reliable estimates of statistical precision. A t-value greater than 1.96 and a p-value less than 0.05 were used as the criteria for statistical significance at the 95% confidence level (two-tailed test). Additionally, bias-corrected and accelerated (BCa) confidence intervals were calculated for each path to assess whether zero fell within the interval key determinant of significance.

Of the five hypotheses tested, two paths demonstrated statistically significant positive effects on perceived organizational performance (PER):

HC → PER ($\beta = 0.275$, $t = 3.040$, $p = 0.002$): The 95% BCa confidence interval did not include zero, confirming the robustness of the relationship. This finding validates the importance of human capital in organizational performance, aligning with RBV

theory (Barney, 1991) and prior empirical research that links HR practices and capability development to competitive advantage in SMEs (Delaney & Huselid, 1996; Burton-Jones & Spender, 2012).

SI \rightarrow PER ($\beta = 0.307$, $t = 3.008$, $p = 0.003$): This path also yielded a 95% confidence interval that excluded zero, supporting its statistical relevance. This reinforces the argument that strategy execution—not just formulation—is vital to performance, a finding echoed in Amoo et al. (2019) and dynamic capabilities literature (Teece et al., 1997), which advocate for adaptive, action-oriented execution frameworks within rapidly evolving environments.

In contrast, three paths did not reach statistical significance, as their p-values exceeded the 0.05 threshold, and their confidence intervals included zero:

OC \rightarrow PER ($\beta = 0.139$, $t = 1.249$, $p = 0.212$): Although organizational communication has been widely theorized as a facilitator of alignment and cohesion (Downs et al., 2020), this study found no direct effect on perceived performance. This may suggest that communication plays a more indirect or mediating role, particularly when combined with innovation systems or leadership influence (Latifah et al., 2021; Sohl et al., 2020).

REL \rightarrow PER ($\beta = 0.100$, $t = 1.021$, $p = 0.307$): The weak effect of mission relevance may indicate that clarity and articulation of the mission, while conceptually important (Calder, 2014), do not produce measurable performance gains unless integrated with execution processes and stakeholder engagement. This finding supports contingency theory arguments that strategic tools are only effective when tailored to specific organizational contexts (McAdam et al., 2019).

SD → PER ($\beta = -0.047$, $t = 0.404$, $p = 0.686$): Surprisingly, strategic direction not only lacked significance but exhibited a negative beta coefficient. This contradicts conventional expectations (Tapinos, 2005; Escribá-Esteve et al., 2009), and may reflect measurement issues, insufficient differentiation between planning and action phases, or the tendency of SMEs to operate with informal or fluid strategies.

These non-significant paths suggest that while strategic alignment, communication, and mission clarity are foundational in theory, their measurable impact on performance may be context-dependent or secondary to more operational constructs like execution and workforce capability. They may also operate through indirect mechanisms such as employee motivation, innovation capacity, or market responsiveness, rather than exerting standalone effects.

The robustness of the significant relationships was further validated through the bias-corrected and accelerated confidence intervals, which provide more precise estimates by adjusting for potential skewness and bias in the bootstrapped samples. For both HC and SI, the BCa intervals excluded zero, confirming that their influence on organizational performance is unlikely to be due to sampling error. For OC, REL, and SD, the inclusion of zero within the BCa intervals affirmed that the observed effects were statistically indistinguishable from null effects.

Overall, the bootstrapping analysis confirms Hypotheses H3 and H4, indicating that Human Capital and Strategy Implementation are reliable predictors of SME performance. These findings offer empirical support for theories that emphasize internal capability development and execution agility (Barney, 1991; Teece et al., 1997). The rejection of H1, H2, and H5, however, invites future investigation into mediating

pathways, interaction effects, or sector-specific influences that may reveal hidden contributions of mission, direction, and communication constructs.

The implications of these findings are substantial for both academia and business practice. The confirmation of HC and SI as key drivers of performance suggests that businesses should prioritize talent development and execution-focused strategies to achieve competitive advantages. Meanwhile, the lack of significance in OC, REL, and SD suggests that organizations may need to refine their approaches in these areas or explore potential moderating factors that could enhance their effectiveness. Future research should investigate whether the influence of these constructs varies across industries, organizational sizes, or different strategic environments.

Table 5 Hypothesis Summary

	Hypothesis	Result	(β)	p-values
H1	Relevance (Calder, W.B., 2014) to organization's mission and vision positively affect perceived organizational performance in SMEs.	Not Supported	0.100	0.307
H2	Strategic direction (Ittner et al, 2003) is associated with improved perceived organizational performance in SMEs.	Not Supported	(0.047)	0.686
H3	Human capital (Folloni, G., & Vittadini, G., 2010) in relation to experience enhances perceived organizational performance in SMEs	Supported	0.275	0.002
H4	Proper strategy implementation (Amoo, N. et. al, 2019) are key to perceived organizational performance in SMEs.	Supported	0.307	0.002
H5	Perceived Influence (Downs, C. W., DeWine, S., & Greenbaum, H. H., 2020) within an organization leads to improved perceived organizational performance in SMEs	Not Supported	0.139	0.212

The findings from this study reveal that human capital and strategy implementation have significant positive effects on perceived organizational performance. These results suggest that organizations that invest in employee development and ensure proper execution of strategic initiatives are more likely to achieve favorable business outcomes. This aligns with prior research emphasizing the importance of talent management and operational efficiency in driving performance.

Conversely, strategic direction, organizational communication, and mission relevance did not demonstrate statistically significant relationships with performance. One possible explanation is that these factors, while theoretically important, may be mediated by other variables such as leadership effectiveness or market dynamics. Additionally, communication and mission alignment might have more indirect effects on performance, requiring a different analytical approach, such as mediation or moderation analysis, to fully capture their impact.

VI. Implications

Theoretical Implications

The Resource-Based View (RBV) theory provides a strong foundation for understanding how small businesses can leverage internal resources to enhance their strategic positioning and organizational performance. The findings from this research suggest that human capital and strategy implementation are significant predictors of perceived organizational performance, aligning with RBV's core principles that emphasize the strategic importance of valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). Small businesses, often constrained by limited financial and technological resources, can achieve sustained competitive advantage by optimizing human capital and ensuring effective execution of strategic initiatives.

The role of human capital as a strategic asset is further reinforced by Chapter 8 of *The Oxford Handbook of Human Capital*, which highlights that human capital is not merely an accumulation of individual skills but a dynamic capability that must be actively developed and leveraged (Burton-Jones & Spender, 2012). This aligns with the study's findings that small businesses investing in employee development, leadership capabilities, and workforce engagement tend to achieve superior performance. Moreover, RBV suggests that firms that cultivate unique intellectual and social capital gain a competitive edge, particularly when their workforce possesses industry-specific expertise and the ability to adapt to changing environments. In small business settings, where resources are often constrained, a well-developed and strategically applied workforce becomes an essential differentiator.

Beyond workforce development, strategy implementation emerged as a key driver of performance, reinforcing the notion that execution capabilities are as critical as strategic formulation. The handbook emphasizes that even the most skilled workforce will not generate a competitive advantage unless properly integrated into strategic planning and execution (Burton-Jones & Spender, 2012). Small businesses that establish clear execution mechanisms, allocate resources effectively, and monitor performance outcomes are more likely to realize the benefits of their strategic initiatives. This aligns with RBV's assertion that firms must not only possess valuable resources but also develop the capabilities to deploy them effectively (Sipos, Bányai, & Venczel-Szakó, 2024). The study's findings suggest that businesses that integrate structured performance tracking, accountability measures, and cross-functional collaboration enhance their ability to compete and sustain long-term success.

Furthermore, leadership plays a pivotal role in maximizing the potential of human capital, an insight emphasized in *The Oxford Handbook of Human Capital*. The handbook discusses how organizational leaders influence the application and effectiveness of human capital by fostering a culture of learning, strategic alignment, and clear communication (Burton-Jones & Spender, 2012). This is particularly relevant to the study's findings on strategic direction and organizational communication, which did not show direct statistical significance in influencing performance. While these factors may not immediately impact performance outcomes, their effectiveness likely depends on the quality of leadership and the firm's ability to translate strategic vision into actionable initiatives. This suggests that future research should explore how leadership effectiveness moderates the relationship between human capital and strategic execution, particularly in

small businesses where personalized leadership and employee engagement are critical to success.

The Contingency Theory of Strategic Management provides a valuable lens for understanding how small businesses must adapt their strategies based on internal and external environmental factors. Unlike a one-size-fits-all approach, contingency theory suggests that the effectiveness of strategic management depends on the alignment between an organization's internal capabilities and its external environment (McAdam, Miller, & McSorley, 2019). The findings of this research align with this perspective, demonstrating that the strategic success of small businesses is not solely dependent on predetermined best practices but on how well they tailor their strategies to specific contingencies such as market conditions, competition intensity, and internal resource availability.

One key implication of contingency theory in small business strategic management is the interaction between quality management (QM) practices and contingency variables such as strategy, organizational culture, lifecycle stage, and customer focus (McAdam et al., 2019). This aligns with the study's findings that strategic execution, rather than mere strategic formulation, plays a decisive role in business performance. Small businesses that dynamically adjust their strategic execution in response to market pressures and operational constraints demonstrate higher levels of adaptability and sustained success. This supports the notion that small business leaders should not simply imitate best practices from larger firms but instead develop context-specific strategies that optimize their limited resources while responding to external demands.

Additionally, decision-making complexity and strategic alignment emerge as crucial factors influencing business performance. Research indicates that SMEs must manage the balance between structured decision-making frameworks and adaptive flexibility (Sipos, Bányai, & Venczel-Szakó, 2024). This study found that small businesses leveraging diverse decision-making information sources and external networks were better positioned to respond effectively to dynamic market conditions. This insight reinforces contingency theory's assertion that the effectiveness of a strategic approach is highly dependent on contextual variables. For instance, businesses operating in highly competitive environments must prioritize rapid decision-making and market responsiveness, whereas those in more stable conditions might benefit from longer-term strategic planning and quality management systems.

Moreover, the role of customer focus and lifecycle stage as contingency variables further emphasizes the need for tailored strategic approaches in small businesses. The study's findings suggest that businesses in earlier lifecycle stages tend to be more flexible and innovation-driven, while those in later stages focus on process optimization and quality control. Contingency theory supports this, positing that organizational strategies must evolve in response to internal growth stages and changing customer expectations (McAdam et al., 2019). This underscores the need for small businesses to adopt an iterative approach to strategy formulation, ensuring that their methods remain aligned with both internal development and external market shifts.

The Dynamic Capabilities Theory provides a crucial perspective for understanding how small businesses can effectively implement strategies in response to evolving market conditions and organizational challenges. This framework emphasizes

that an organization's ability to integrate, build, and reconfigure internal and external competencies determines its capacity for sustained competitive advantage in dynamic environments (Teece, Pisano, & Shuen, 1997). The findings of this research align with the dynamic capabilities perspective by demonstrating that successful strategic implementation is not merely dependent on predefined best practices but on the organization's ability to sense, seize, and transform its resources in response to market shifts and competitive pressures. This underscores the importance of agility in strategic decision-making, particularly for small businesses that operate with limited financial and operational resources.

One of the key insights from the study is the role of leadership in fostering adaptive capabilities that drive strategic execution. Small businesses that actively develop internal competencies such as workforce skills, operational flexibility, and data-driven decision-making are better positioned to implement strategies effectively in fluctuating business environments (Sipos, Bányai, & Venczel-Szakó, 2024). This finding resonates with dynamic capabilities theory, which posits that firms must continuously reconfigure their internal processes and structures to remain competitive. Moreover, research suggests that organizations that engage in continuous learning, strategic networking, and information-driven decision-making enhance their ability to implement strategies that align with changing market conditions (McAdam, Miller, & McSorley, 2019). For small businesses, this means leveraging both internal expertise and external collaborations to refine their strategic direction and execution.

Another critical implication relates to how businesses manage the tension between stability and flexibility in strategic implementation. While structured planning and

operational consistency are essential for efficiency, the ability to pivot when necessary—by adapting business models, reallocating resources, or integrating new technologies—often determines long-term success (Teece, 2018). The study found that small businesses with greater access to diverse decision-making information sources and strong external networks were more effective in executing strategies that responded to market disruptions and competitive pressures. This aligns with the dynamic capabilities' perspective, which asserts that firms that sense external changes, seize opportunities, and transform their internal capabilities accordingly are better equipped for sustainable growth. The ability to balance operational routines with strategic agility is thus a defining factor in how effectively small businesses implement their strategies.

Lastly, the study's findings on customer focus, innovation, and strategic alignment further reinforce the relevance of dynamic capabilities in small business strategy. Research highlights that firms that successfully align customer needs with internal innovation efforts exhibit stronger performance outcomes (McAdam et al., 2019). This is particularly important for small businesses, where customer preferences, competitive landscapes, and technological advancements frequently shift. The ability to continuously sense changes in customer behavior, integrate feedback into product and service offerings, and refine strategic initiatives accordingly is a hallmark of strong dynamic capabilities. Therefore, strategic implementation should not be viewed as a static process but rather as an ongoing cycle of adaptation, learning, and reconfiguration that enables small businesses to sustain competitive advantage in an ever-evolving marketplace.

Practical Implications

The findings of this research hold several practical implications for small business leaders, policymakers, and industry practitioners seeking to enhance strategic implementation through dynamic capabilities, contingency-based decision-making, and resource optimization. Understanding these implications can help businesses develop more adaptive strategies, improve decision-making processes, and ensure long-term sustainability in competitive and uncertain environments.

One key implication is the need for small businesses to prioritize agility and flexibility in their strategic execution. The research demonstrates that firms that continuously sense, seize, and transform their resources in response to market changes achieve better outcomes. This suggests that small business leaders should regularly assess their internal capabilities and external environment, making data-driven decisions to pivot or refine strategies when necessary. Rather than adopting rigid business models, firms should embrace iterative planning and strategic adaptation, ensuring they remain competitive amid evolving industry trends, technological advancements, and regulatory changes.

Another important takeaway is the role of leadership in fostering a culture of innovation and strategic adaptability. Small businesses often operate with limited resources, making it essential for leaders to maximize human capital, encourage cross-functional collaboration, and invest in continuous learning and development. The research highlights the significance of entrepreneurial decision-making and leadership cognition, implying that leaders must actively refine their ability to process complex information, assess risks, and make strategic choices under uncertainty. Businesses that

cultivate dynamic leadership and knowledge-sharing practices are better positioned to navigate market disruptions and drive sustained performance.

Furthermore, the study underscores the value of leveraging external networks and strategic partnerships as a means of enhancing strategic implementation. Small businesses that engage with external advisors, industry peers, and innovation ecosystems benefit from diverse perspectives, market insights, and access to new opportunities. This suggests that practitioners should actively participate in industry networks, seek mentorship, and explore collaborative ventures to strengthen their strategic capabilities. By integrating external knowledge with internal competencies, businesses can enhance their competitive positioning and mitigate resource constraints.

Lastly, the findings suggest that policymakers and business support organizations should consider how to facilitate strategic capability-building for small firms. Given the challenges of resource limitations, information asymmetry, and market uncertainty, there is a need for targeted programs that provide strategic guidance, access to financial resources, and innovation support. Government agencies and industry groups can play a vital role in equipping small businesses with the tools, training, and networks necessary to implement adaptive and high-impact strategies.

By applying these insights, small businesses can enhance their strategic execution, build resilience, and capitalize on emerging market opportunities. Moving forward, businesses that embrace strategic agility, leadership-driven decision-making, and collaborative innovation will be well-positioned to thrive in an increasingly complex and competitive global economy.

VII. Study Limitations and Future Research

While this study provides valuable insights into the role of dynamic capabilities, contingency theory, and resource-based strategies in small business strategic implementation, certain limitations must be acknowledged. One primary limitation is the cross-sectional nature of the data, which captures business dynamics at a single point in time. Given the evolving nature of strategic decision-making and market adaptation, a longitudinal approach would provide deeper insight into how small businesses develop and refine their strategic capabilities over time. Additionally, the reliance on self-reported data introduces the potential for response biases, as business leaders may overestimate or underreport their strategic efforts. Incorporating objective performance metrics, such as financial reports and innovation adoption rates, could strengthen the empirical validation of strategic implementation's long-term impact.

Another important consideration is the generalizability of the findings across different industries and economic contexts. Small businesses operate in highly diverse environments, and factors such as regulatory conditions, technological shifts, and customer expectations can significantly influence strategic outcomes. While the study provides meaningful contributions to small business research, sector-specific challenges and regional economic influences warrant further examination. Future research should explore cross-industry and cross-regional comparisons to assess whether the observed patterns in strategic execution, leadership adaptation, and contingency-based decision-making hold true across different business landscapes.

Additionally, while this study highlights the importance of internal strategic capabilities, it does not fully capture the influence of external crises and disruptions on

small business strategic execution. Events such as economic downturns, supply chain disruptions, and emerging technologies create new challenges and opportunities for small businesses. The COVID-19 pandemic has underscored the necessity of resilience and crisis-response capabilities, yet there is still much to learn about how small businesses leverage dynamic capabilities to navigate uncertainty. Future research could focus on the role of technology adoption, digital transformation, and crisis management strategies in enhancing long-term sustainability and adaptability.

Lastly, entrepreneurial decision-making and leadership cognition represent additional areas for exploration. While this study identifies leadership and decision-making complexity as key drivers of strategic implementation, a deeper understanding of the psychological and behavioral aspects of small business leadership is needed.

Entrepreneurs often rely on heuristics, risk perception, and experience-driven intuition when making strategic decisions. Examining the cognitive biases and decision-making frameworks of small business leaders could provide further insight into how strategic execution unfolds in real-world settings.

By addressing these limitations and expanding on the research, future studies can refine our understanding of how small businesses develop, execute, and sustain strategic initiatives in complex environments. As the business landscape continues to evolve, ongoing research in this area will be essential for identifying best practices, emerging trends, and adaptive strategies that enable small businesses to thrive amid uncertainty and change.

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VIII. Appendix I

Qualifying Questions. The following questions are used to identify the respondents that fit the purpose of the survey.

QQ	Qualifying Questions (3) Items	Y	N
QQ1	Do you own your business or the primary decision maker?		
QQ2	Do you have less than 100 employees?		
QQ3	Has your business been operational greater than 2 years?		

Relevance. This variable refers to how well the organization's foundational statements which define its purpose and intended future state (Calder, W.B., 2014), using a 5-point scale (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree).

REL	Relevance (5) Items	1	2	3	4	5
REL1	Organizations with a viable vision statement have an advantage compared to organizations that do not have one					

	(Calder, W.B., 2014).					
REL2	The organization has a created and implemented a well-defined mission statement (Calder, W.B., 2014).					
REL3	The organization has developed an overall plan of reaching its mission statement (Calder, W.B., 2014).					
REL4	The organization has clear goals to laid out to achieve their mission statement (Calder, W.B., 2014).					
REL5	The organization and its staff are aligned with the mission statement (Calder, W.B., 2014).					

Strategic Direction. This variable encompasses the organization's processes for monitoring and analyzing external and internal environments. It includes understanding market trends, competitors, technological advancements that can impact strategic decisions using a 5-point scale (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree).

SD	Strategic Direction (5) Items	1	2	3	4	5
SD1	The organizations strategic direction is specific (Tapinos, 2005).					
SD2	The organizations strategic direction formally expressed (Tapinos, 2005).					
SD3	The organizations strategic direction was created for wide participation (Tapinos, 2005).					
SD4	The organizations strategic direction is influenced by performance measurements (Tapinos, 2005).					
SD5	The organizations strategic direction has a long-term growth effect (Tapinos, 2005).					

Human Capital. This variable involves the evaluation of human capital as it relates to experience and skills of employees. It determines if the organization has adequate and suitable resources to achieve its strategic goals, using a 5-point scale (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree).

HC	Human Capital (5) Items	1	2	3	4	5
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HC1	We utilize the relevant business experience of our employees in seeking opportunities in the industry (Dar, I. A., & Mishra, M., 2021).					
HC2	In our firm, employees having knowledge about their respective industry and are a source for spreading firm business into these markets (Dar, I. A., & Mishra, M., 2021).					
HC3	Relevant industry experiences of our employees assist us in entering new markets (Dar, I. A., & Mishra, M., 2021).					
HC4	In our organization, highly educated employees are highly knowledgeable about firm's business (Dar, I. A., & Mishra, M., 2021).					
HC5	We use relevant industry experience of our employees to cope positively with technological changes prevailing in the market (Dar, I. A., & Mishra, M., 2021).					

Strategy Implementation. This variable pertains to the processes of creating and executing strategies to meet organizational goals. It includes setting clear and measurable goals, making strategic choices, allocating resources appropriately, monitoring the performance of strategies, and adapting strategies based on operational feedback and changes in the business environment, using a 5-point scale (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree).

SI	Strategy Implementation (5) Items	1	2	3	4	5
SI1	The organization typically accomplish projects/programs within stated objectives (Amoo, N. et. al, 2019).					
SI2	Our organization always has adequate budgetary allocation for resource provision for actions to be done (Amoo, N. et. al, 2019).					
SI3	Our organization essentially ensures that functions are aligned with its strategy. (Amoo, N. et. al, 2019).					
SI4	People in our organization have the perceptions that the organization's					

	strategy is communicated adequately to them. (Amoo, N. et. al, 2019).					
SI5	Our organization has the right feedback measures in place to ensure on-going revision of the strategy (Amoo, N. et. al, 2019).					

Organizational Communication. Communication in an organization includes the effectiveness of information dissemination, the clarity and consistency of messages, the adequacy of the mediums used, stakeholder engagement, and the feedback mechanisms in place. Good communication is essential for ensuring that strategic goals are understood and embraced across the organization, using a 5-point scale (1=very low degree, 2=somewhat low degree, 3=low degree, 4=neutral, 5=somewhat high degree, 6=high degree, 7=very high degree).

OC	Organizational Communication (5)	1	2	3	4	5
OC1	The communication function is orientated around the organization's strategic priorities (Blazenaite, A., 2011).					
OC2	Communication must be credible and strive to defend complete consistency between communication and conduct (Blazenaite, A., 2011).					
OC3	A two-way communication, ensuring the flow of information, enriches and empowers an organization (Blazenaite, A., 2011).					
OC4	Coherent, consistent, and complete messages address the concerns and needs of listeners (Blazenaite, A., 2011).					
OC5	Listening, genuine receptivity, and an inclination to act in response are demanded when reaching for a welcoming rapport that builds relationships (Blazenaite, A., 2011).					

Organizational Performance. The overall perception of an organization's effectiveness as evaluated by internal stakeholders. This includes assessments of quality, efficiency, employee satisfaction, and achievement of performance targets. It also encompasses external perceptions, such as customer satisfaction, which reflects the organization's

ability to meet or exceed market expectations. This captures both the tangible outcomes of organizational activities and the intangible aspects of organizational climate and culture that contribute to the perceived success of the organization., using a 5-point scale (1=Least Favorable, 2=Slight Unfavorable, 3=neutral, 4=Slightly Favorable, 5=Highly Favorable).

PER	Perceived Organizational Performance (5) Items	1	2	3	4	5
PER1	"Overall, I believe that our organization performs exceptionally well in terms of quality."					
PER2	"Our organization is efficient in its operations."					
PER3	"Employee satisfaction within our organization is high."					
PER4	"Our organization consistently meets or exceeds its performance targets."					
PER5	"Our customers are highly satisfied with the products/services we provide."					

Demographics. The following questions are used to identify personal demographics regarding yourself and your experience. Please fill out the information, as requested.

DEM	Demographic Questions	
DEM1	What is your age?	
DEM2	What is your gender?	
DEM3	What is level of education?	
DEM4	How many years of experience do you have? >5 years or <5 years	
DEM5	What is your annual Gross Profit?	

Appendix II



ADULT CONSENT TO PARTICIPATE IN A RESEARCH STUDY The Impacts of Strategic Management on Organizational Performance in Small Business

SUMMARY INFORMATION

Things you should know about this study:

- **Purpose:** The purpose of the study is to investigate the influence of strategic management practices on organizational performance in small businesses, focusing on how these practices can enhance operational effectiveness and competitiveness.
- **Procedures:** If you choose to participate, you will be asked to complete an online survey that measures your perceptions of strategic management practices and their impact on the performance of your business.
- **Duration:** This will take about 30 minutes.
- **Risks:** Risks: The main risk or discomfort from this research is the potential for minimal time inconvenience due to participating in the survey, which could take approximately 15-30 minutes of your time.
- **Benefits:** The main benefit to you from this research is gaining insights into effective strategic management practices that could help improve the management and performance of your business.
- **Alternatives:** There are no known alternatives available to you other than not taking part in this study.
- **Participation:** Taking part in this research project is voluntary.

Please carefully read the entire document before agreeing to participate.

PURPOSE OF THE STUDY

The purpose of this study is to investigate the influence of strategic management practices on organizational performance in small businesses, focusing on how these practices can enhance operational effectiveness and competitiveness.

NUMBER OF STUDY PARTICIPANTS

If you decide to be in this study, you will be one of 200 people in this research study.

DURATION OF THE STUDY

Your participation will involve 30 minutes.

PROCEDURES

If you agree to be in the study, we will ask you to do the following things:

1. Complete an online survey that consists of questions designed to evaluate the strategic management practices in your business, such as planning, resource allocation, and communication strategies.
2. Provide basic demographic information about your business, such as industry type, size, and years in operation, to help us analyze the survey responses in the context of different business backgrounds.

RISKS AND/OR DISCOMFORTS

There are no known physical, psychological, or emotional risks associated with participation in this study beyond the possible mild discomfort associated with answering survey questions.

BENEFITS

The study has the following possible benefits to you: gaining a deeper understanding of effective strategic management practices, which could directly enhance the operational efficiency and competitive edge of your business. Additionally, your participation will contribute to a broader understanding of how small businesses can optimize their strategic approaches for better performance and sustainability.

ALTERNATIVES

There are no known alternatives available to you other than not taking part in this study. Any significant new findings developed during the research which may relate to your willingness to continue participation will be provided to you.

CONFIDENTIALITY

The records of this study will be kept private and will be protected to the fullest extent provided by law. In any sort of report we might publish, we will not include any information that will make it possible to identify you. Research records will be stored securely, and only the researcher team will have access to the records. However, your records may be inspected by authorized University or other agents who will also keep the information confidential.

The U.S. Department of Health and Human Services (DHHS) may request to review and obtain copies of your records. The Food and Drug Administration (FDA) may request to review and obtain copies of your records.

A description of this clinical trial will be available on <http://www.ClinicalTrials.gov>, as required by US Law. This web site will not include information that can identify you. At most, the web site will include a summary of the results. You can search this website at anytime.

USE OF YOUR INFORMATION

- Your information collected as part of the research will not be used or distributed for future research studies even if identifiers are removed.

COMPENSATION & COSTS

You will receive a payment of \$0 for your participation.

RIGHT TO DECLINE OR WITHDRAW

Your participation in this study is voluntary. You are free to participate in the study or withdraw your consent at any time during the study. You will not lose any benefits if you decide not to participate or if you quit the study early. The investigator reserves the right to remove you without your consent at such time that he/she feels it is in the best interest.

RESEARCHER CONTACT INFORMATION

If you have any questions about the purpose, procedures, or any other issues relating to this research study you may contact Joshua Benson at FIU Office of Research, 305-348-2494, ori@fiu.edu.

IRB CONTACT INFORMATION

If you would like to talk with someone about your rights of being a subject in this research study or about ethical issues with this research study, you may contact the FIU Office of Research Integrity by phone at 305-348-2494 or by email at ori@fiu.edu.

PARTICIPANT AGREEMENT

I have read the information in this consent form and agree to participate in this study. I have had a chance to ask any questions I have about this study, and they have been answered for me. I understand that I will be given a copy of this form for my records.

Signature of Participant

Date

Printed Name of Participant

Signature of Person Obtaining Consent

Date

VITA

JOSHUA BENJAMIN BENSON

Born, Hollywood, Florida

2010-2016	Sr. Underwriter JP Morgan Chase Jacksonville, Florida
2015-2017	B.B.A., Business Administration, Finance University of North Florida Jacksonville, Florida
2016-2018	Asset Manager CIT Bank Jacksonville, FL
2018-2020	Hertz Corporation Revenue Management Estero, Florida
2020-2022	Finance Manager Welldyne Rx Lakeland, Florida
2021-2022	Masters of Science, Finance Florida International University Miami, Florida
2021 -present	Founded Accounting Firm Financials By The Numbers Fort Myers, FL

2023-2025	Doctor of Business Administration Florida International University Miami, FL
2024-present	Acquired second Accounting Firm Creative Accounting Solutions, Inc. Fort Myers, FL
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