STRATEGIC MANAGEMENT PRACTICE AND THE FINANCIAL PERFORMANCE Of LISTED CONGLOMERATE FIRMS IN NIGERIA

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Volume 9 Number 1 March 2026

ABSTRACT

This study examines the relationship between strategic management practices and the financial performance of listed conglomerate firms in Nigeria. The research was guided by three objectives, each accompanied by corresponding research questions and hypotheses. Employing a descriptive survey design alongside an ex-post facto approach, data from 2015 to 2024 were analyzed to assess how strategic management practices influence financial performance. Independent variables included the percentage of total budget allocated to strategic projects, the frequency of performance review meetings, and the cost of resources devoted to strategic initiatives. Return on Assets served as the dependent variable, while Firm Size and Return on Equity were incorporated as control variables. The results indicate that strategic management practices significantly impact financial performance, though the effects vary depending on implementation context. Specifically, short-term increases in strategic resource expenditure and firm size positively affect Return on Assets, whereas sustained high budget allocations, frequent performance reviews, and elevated project costs are associated with lower asset-based financial performance. Based on these findings, it is recommended that firms ensure budget allocations to strategic projects are supported by effective execution plans and monitoring systems. Additionally, focused, goal-oriented review processes that deliver actionable insights without overburdening management are advised.

Keywords: *Budget allocation, Cost of resources, Firm size, Frequency of performance review, Return on assets, Return on equity*

Introduction

Strategic management practices in listed conglomerate firms in Nigeria represent an integrated and continuous process through which management deliberately guides organizational activities toward long term profitability, sustainability, and enhanced shareholder value within an increasingly complex and volatile business environment, as this process typically begins with environmental scanning that enables conglomerates to systematically evaluate their internal strengths and weaknesses across multiple business units while simultaneously examining external opportunities and threats arising from macroeconomic instability, inflationary pressures, exchange rate volatility, regulatory reforms, and heightened competitive intensity within the Nigerian economy, a consideration that is particularly important given that the diversified nature of conglomerate firms means that disruptions in one sector can easily spill over and affect overall corporate performance (Wasiu, 2022).

The insights derived from this environmental analysis naturally inform strategy formulation, during which top management articulates a clear corporate vision and mission and sets strategic objectives that balance growth ambitions with risk management and capital market expectations, leading Nigerian listed conglomerates to adopt diversification strategies, portfolio restructuring initiatives, and competitive positioning approaches that facilitate efficient resource allocation across subsidiaries while responding to sector specific constraints and opportunities, thereby strengthening market confidence, stabilizing earnings, and promoting sustainable competitive advantage in both domestic and regional markets (Agbogun, 2022). Closely linked to these strategic management practices is financial performance, which serves as a fundamental indicator of how efficiently firms utilize their resources to achieve profitability and long term sustainability, particularly for Nigerian listed conglomerates whose operations span multiple industries and economic segments, implying that overall performance reflects the combined outcomes of interrelated business activities rather than a single line of operation, thus making effective coordination and strategic alignment essential (Ogundajo, 2024).

Financial performance in this context is commonly evaluated using profitability, liquidity, leverage, and market based indicators, with measures such as return on assets and return on equity providing insight into how effectively conglomerates convert their extensive asset bases and shareholders' funds into earnings, as strong profitability signals efficient integration of business segments and reinforces the direct linkage between operational efficiency and improved financial outcomes (Ndiritu, 2025). In addition to profitability, liquidity plays a critical role in sustaining financial performance, as it determines the ability of conglomerate firms to meet short term obligations and maintain uninterrupted operations across sectors, particularly within the Nigerian economy where volatility is pronounced, and this operational stability supports continuous production and service delivery that enhances revenue generation and strengthens overall performance. Beyond financial indicators, firm specific strategic actions such as internal restructuring, divestment from unprofitable subsidiaries, cost optimization, and refocusing on core competencies have significantly influenced the growth trajectory of listed conglomerates in Nigeria, as these strategic adjustments have improved operational efficiency, stabilized earnings, enhanced shareholder value, and reinforced sectoral growth (Cardillo, 2025).

Consequently, the relationship between strategic management practices and the financial performance of listed conglomerate firms in Nigeria is both direct and dynamic, since effective strategic management provides the framework through which firms navigate environmental uncertainty, allocate resources efficiently, and pursue sustainable expansion in an economy characterized by inflationary pressures, regulatory changes, and macroeconomic shocks (Ochie, 2022). Through continuous environmental scanning, conglomerates are better positioned to anticipate economic shifts, identify emerging opportunities, and mitigate risks associated with policy reforms, exchange rate instability, and competitive intensity, thereby supporting informed strategic choices that ensure diversification decisions and investment priorities align with firm specific strengths and prevailing market conditions, which ultimately enhances revenue growth and market valuation (Adiatma, 2025).

In theory, strategic management practices are therefore expected to drive sustainable growth, as strategic management

Volume 9 Number 1 March 2026

literature emphasizes that systematic environmental scanning, deliberate formulation, effective implementation, and continuous evaluation enhance efficiency and long term performance, a position supported by empirical evidence from developed and emerging markets where conglomerates operating under robust governance frameworks record consistent growth in earnings, profitability, and market capitalization, and even within the Nigerian capital market, periods of improved performance have been observed following strategic restructuring initiatives (Nwonu, 2026). However, the Nigerian reality presents a contrasting picture, as many listed conglomerate firms have struggled to translate strategic intentions into tangible financial performance, with empirical evidence showing that firms such as SCOA Nigeria and John Holt experienced prolonged underperformance between 2015 and 2022, characterized by stagnant revenue growth, low returns on equity, and weak market capitalization despite broader market recovery, thereby suggesting a disconnect between strategic planning and growth realization (Alharbi, 2024).

Although regulatory bodies such as the Nigerian Exchange Group and the Securities and Exchange Commission have introduced enhanced disclosure requirements, corporate governance codes, and performance monitoring standards aimed at improving strategic accountability and transparency, and academic studies have recommended stronger leadership commitment and adaptive strategic processes, these efforts have not consistently translated into improved performance outcomes, as challenges related to operational efficiency, capital allocation, and resilience to economic shocks persist (Alanazi, 2020). As a result, a significant gap remains between the growth outcomes predicted by strategic management theory and the actual performance of listed conglomerate firms in Nigeria, thereby motivating this study to empirically examine how strategic management practices are conceptualized, implemented, and operationalized within these firms and to determine the extent to which such practices influence financial performance. Specifically, the study seeks to assess how the percentage of total budget allocated to strategic projects, the frequency of performance review meetings, and the cost of resources spent on strategic initiatives affect the financial performance of listed conglomerate firms in Nigeria, while addressing key research questions relating to budget allocation, performance monitoring, and strategic resource utilization, and testing hypotheses that examine (Alkhodary, 2023)whether these strategic management variables significantly influence financial outcomes.

The significance of this study lies in its contribution to academic literature by providing empirical evidence on strategic management practices within Nigerian listed conglomerates, offering managerial insights that can guide executives in aligning strategic planning with execution to enhance efficiency, profitability, and shareholder value, informing policymakers and regulators on governance effectiveness and investor confidence, and assisting investors and stakeholders in making informed decisions regarding firm sustainability and long term returns.

The scope of the study is limited to 15 conglomerate firms listed on the Nigerian Exchange between 2015 and 2024, focusing on Nigeria's unique regulatory and economic environment and employing both quantitative and qualitative methods, while acknowledging limitations relating to sample size, data availability, time constraints, and the influence of external economic factors that may affect firm performance independently of strategic management practices.

Literature Review

Volume 9 Number 1 March 2026

Strategic management practices represent a comprehensive set of processes through which organizations formulate, implement, monitor, and adapt strategies aimed at achieving long term objectives, sustaining growth, and maintaining competitive advantage, as these practices provide a structured framework that aligns internal resources, capabilities, and competencies with external environmental demands such as market dynamics, technological changes, regulatory pressures, and evolving consumer preferences, thereby enabling firms to respond effectively to uncertainty and complexity while optimizing performance outcomes (Johnson-Hart, 2023). At the core of strategic management practices lies strategic planning, which involves clearly articulating organizational vision, mission, and objectives alongside systematic environmental scanning that assesses internal strengths, weaknesses, and resource availability as well as external opportunities, threats, competitive forces, and regulatory conditions, and by integrating these internal and external insights through analytical tools such as SWOT analysis, organizations are able to make informed and coherent strategic decisions that guide resource allocation, initiative prioritization, and performance expectations in alignment with long term goals (Hyde, 2021).

Building upon strategic planning, strategy formulation translates analytical insights into actionable approaches that define how organizations compete, grow, and create value, as firms select appropriate competitive strategies such as cost leadership, differentiation, or focus while also making corporate level decisions relating to diversification, expansion, integration, or retrenchment, and these choices are further reinforced through functional strategies across marketing, finance, operations, and human resources to ensure consistency and strategic alignment across all organizational levels, thereby illustrating the interconnected nature of strategic management decisions and their direct implications for implementation effectiveness and performance outcomes (Manning, 2022). Following formulation, strategy implementation becomes critical, as it involves translating plans into concrete actions through the allocation of financial resources, deployment of human capital, investment in technology, establishment of supportive organizational structures, and cultivation of a performance oriented culture that emphasizes accountability, communication, and employee engagement, recognizing that even well designed strategies cannot succeed without effective execution and coordinated stakeholder commitment, and as implementation progresses, organizations often adjust strategies in response to performance feedback, environmental shifts, or operational constraints, highlighting the dynamic and adaptive nature of strategic management practices (Alkhodary, 2023).

Central to this process is performance monitoring and evaluation, which enables organizations to track progress, assess outcomes, and implement corrective actions using tools such as key performance indicators, financial ratios including return on assets and return on equity, and balanced scorecards, and through continuous evaluation, firms are able to identify deviations from strategic objectives, diagnose underlying causes, and incorporate strategic learning into future planning, thereby fostering a culture of continuous improvement, innovation, and adaptability (Wasiu, 2022). Within this strategic framework, the percentage of total budget allocated to strategic projects emerges as a critical indicator of strategic intent and effectiveness, as it reflects the extent to which organizations prioritize growth oriented initiatives, innovation, and long term value creation over routine operational expenditure, and by deliberately committing a defined portion of financial resources to strategic

Volume 9 Number 1 March 2026

projects, firms demonstrate proactive resource management, strengthen competitive positioning, and enhance their capacity to execute strategic plans effectively, whereas inadequate allocation may constrain strategic execution, limit responsiveness to opportunities, and weaken growth prospects, thereby underscoring the strong linkage between budgeting decisions and strategic outcomes (Agbogun, 2022).

Closely related to budget allocation is the cost of resources spent on strategic projects, which encompasses financial capital, human expertise, technology, and managerial effort committed to initiatives designed to achieve long term objectives, and effective management of these costs through budgeting, cost benefit analysis, and prioritization ensures efficient resource utilization, minimizes waste, enhances return on investment, and supports organizational liquidity and stability, while poor cost control may result in overruns, misallocation, and strategic failure, emphasizing the importance of disciplined resource management within strategic practices (Ogundajo, 2024). Another essential dimension of strategic management effectiveness is the frequency of performance review meetings, which determines how regularly organizations assess progress toward strategic objectives, evaluate performance indicators, identify challenges, and realign resources, as appropriately timed and well structured review meetings foster accountability, enhance communication, promote cross functional collaboration, and enable timely corrective actions, whereas infrequent reviews may delay problem identification and weaken strategic alignment, and excessively frequent meetings may impose administrative burdens, thereby highlighting the need for an optimal balance that supports continuous improvement without compromising productivity (Ndiritu, 2025). These strategic management practices collectively influence the financial performance of listed conglomerate firms in Nigeria, whose growth and sustainability depend on efficient resource utilization, effective coordination across multiple business units, and the ability to adapt to Nigeria's dynamic economic environment characterized by regulatory changes, competitive pressures, and macroeconomic volatility (Cardillo, 2025).

Financial performance in this context is commonly assessed using indicators such as return on assets and return on equity, which provide insight into how efficiently conglomerate firms utilize their extensive asset bases and shareholders' equity to generate profits, as return on assets measures the relationship between net income and total assets and reflects operational efficiency and asset utilization across diverse business segments, while return on equity captures the ability of management to generate returns on shareholders' investments and signals the effectiveness of strategic and financial decisions in creating value for owners (Ochie, 2022).

For conglomerate firms operating across multiple industries, strong return on assets indicates effective integration and deployment of assets, whereas strong return on equity reflects sound capital allocation, profitable investment decisions, and successful execution of strategic initiatives, and together these measures provide a comprehensive picture of firm performance, growth potential, and investor confidence (Adiatma, 2025). Importantly, the financial performance and growth of listed conglomerate firms are closely linked to strategic management practices such as strategic budgeting, performance monitoring, and cost control, as firms that allocate sufficient resources to strategic projects, conduct regular performance reviews, and manage strategic resource costs effectively are more likely to achieve stable profitability, operational efficiency, market expansion, and

Volume 9 Number 1 March 2026

resilience to economic shocks, thereby enhancing shareholder value and contributing meaningfully to economic development (Nwonu, 2026).

Theoretical Review

The theoretical foundation of this study is anchored on the Resource-Based View, Agency Theory, Strategic Fit Theory, and Contingency Theory, which together explain how strategic management practices influence the growth of listed conglomerate firms in Nigeria. The Resource-Based View emphasizes that organizational growth depends largely on the effective utilization of internal resources and capabilities, arguing that firms achieve sustainable competitive advantage when they possess valuable, rare, inimitable, and non-substitutable resources such as financial strength, managerial expertise, technological infrastructure, and organizational culture, which, when strategically deployed through investment in priority projects, regular performance reviews, and efficient cost management, enhance profitability and long-term growth measured by return on assets and return on equity (Barney, 1991; Wernerfelt, 1984; Peteraf, 1993).

Agency Theory complements this perspective by explaining how conflicts between shareholders and managers can affect firm performance, particularly when managers pursue personal interests that are not aligned with shareholder wealth maximization, thereby highlighting the importance of governance mechanisms such as performance monitoring, transparent reporting, incentive structures, and performance-linked budgeting to ensure that managerial decisions regarding resource allocation and strategic project execution support organizational growth and financial performance (Jensen & Meckling, 1976; Eisenhardt, 1989). Strategic Fit Theory further explains that superior organizational performance is achieved when internal resources, strategic objectives, and organizational processes are properly aligned with external environmental conditions, suggesting that listed conglomerate firms must ensure coherence between strategy formulation and execution through continuous performance evaluation, cost monitoring, and strategic adjustment in response to market dynamics, competition, and regulatory pressures, as misalignment often leads to inefficiencies and weak growth outcomes (Venkatraman & Camillus, 1984; Porter, 1996).

Contingency Theory reinforces this argument by asserting that there is no single best approach to strategic management, as the effectiveness of management practices depends on situational factors such as environmental uncertainty, industry characteristics, technological complexity, and organizational size, implying that firms operating in dynamic environments require flexible resource allocation and frequent performance reviews, while those in stable environments may adopt less intensive controls without compromising efficiency or growth (Fiedler, 1964; Lawrence & Lorsch, 1967; Donaldson, 2001).

Empirical Review

Empirical evidence strongly supports the link between strategic management practices, corporate governance, and organizational growth across sectors in Nigeria and comparable economies, as Adegboye et al. (2023) found that financial institutions with strong governance mechanisms such as active monitoring committees, transparent reporting, and clear managerial responsibilities recorded higher return on assets and return on equity, concluding that robust governance enhances accountability, aligns managerial actions with shareholder interests, and promotes sustainable growth, while recommending stronger oversight and transparency frameworks. Similarly, Babajide and Eretan

Volume 9 Number 1 March 2026

(2020) reported that Nigerian manufacturing firms that systematically apply strategic planning, budgeting, and performance monitoring experience improved profitability, operational efficiency, and competitive positioning, concluding that strategic management is a key driver of firm success and recommending formalized strategic frameworks with regular performance reviews.

Extending this evidence globally, Ruan & Chen (2025). demonstrated through a meta-analysis that firms with formal strategic planning outperform those with informal practices in terms of return on investment and profit margins, concluding that structured planning enhances decision-making and resource allocation, and recommending continuous strategic reviews and managerial capacity development. In the Nigerian oil and gas sector, Owolabi, Fijabi, and Ajibade (2022) found that firms that deliberately plan and monitor strategic financial resources achieve higher asset efficiency and profitability, concluding that strategic financial management directly influences ROA and recommending frequent performance reviews and disciplined budget control.

However, Oluwaseun, Oladele, David, Julius, Rebecca, Michael & Izegbuwa (2024) revealed that financial constraints significantly hinder the execution of strategic initiatives in Nigerian firms, concluding that inadequate funding limits growth potential and recommending improved access to long-term capital and prioritization of high-impact projects. Supporting the importance of execution, It that although strategic management positively affects SME performance in Lagos, weak implementation reduces its benefits, concluding that effective execution and monitoring are essential and recommending structured implementation frameworks and regular performance evaluations. In listed Nigerian firms, Folorunso, Owolabi, and Ajike (2023) established that strong corporate governance practices enhance asset efficiency and profitability, concluding that governance complements strategic management and recommending strengthened audit and monitoring structures.

Similarly, Vuvu (2023) found that SMEs in Nigeria and Kenya using formal strategic tools such as balanced scorecards and KPIs record higher profitability and competitiveness, concluding that structured performance measurement systems drive growth and recommending their institutionalization. Mutua and Wanjohi (2023) further confirmed that consistent use of performance measurement tools improves SME profitability and operational efficiency, concluding that performance monitoring strengthens strategic alignment and recommending managerial training and data-driven decision-making. Focusing on conglomerates, Oladele and Oke (2023) observed that asset efficiency, innovation, governance, and strategic execution significantly influence ROA and ROE in quoted Nigerian conglomerates, concluding that firm-specific capabilities mediate the effectiveness of strategic management and recommending continuous enhancement of assets, innovation, and governance structures.

More recently, Ezeala, Agwarambo, and Chidi (2024) reported that Nigerian manufacturing firms that allocate significant budgets to strategic initiatives and enforce strict cost control achieve superior financial performance, concluding that strategic planning and financial discipline are critical to growth and recommending institutionalized budgeting and cost monitoring systems. Tajudeen and Oyeleye (2024) also found that agribusiness firms in Nigeria that frequently review and evaluate strategic initiatives experience higher growth and efficiency, concluding that continuous strategic evaluation enhances performance and recommending formal evaluation frameworks and managerial training. Likewise, Olorede,

Volume 9 Number 1 March 2026

Akinola, and Yusuf (2024) demonstrated that profitability, asset efficiency, firm size, and innovation significantly influence sustainable growth in listed conglomerates, concluding that corporate attributes are central to long-term performance and recommending deliberate investment in innovation and asset optimization. Finally, Madume, Okereke, and Omojefe (2024) confirmed that manufacturing firms in Rivers State that adopt systematic strategic planning, regular performance reviews, and effective budget allocation record higher market share, innovation capacity, and operational efficiency, concluding that structured planning and continuous evaluation are essential for sustainable growth and recommending comprehensive strategic planning frameworks supported by accountability and adaptive decision-making.

Research Methods

This study adopts a research methodology aimed at examining the relationship between strategic management practices and the financial performance of listed conglomerate firms in Nigeria using secondary data. An explanatory research design is employed to assess causal links between key strategic management indicators, such as budget allocation to strategic projects, frequency of performance review meetings, and costs of resources spent on strategic initiatives, and firm financial performance, allowing for systematic evaluation using historical financial and operational data. The population comprises all listed conglomerate firms on the Nigerian Exchange (NGX), totaling approximately 15 firms, including UAC of Nigeria Plc, SCOA Nigeria Plc, and John Holt Plc, chosen due to their diversified operations across multiple sectors.

Given the relatively small and finite population, a census sampling technique is applied, including all firms to ensure comprehensive coverage, avoid sampling errors, and enhance the reliability and validity of the findings. Data is sourced exclusively from secondary records, including annual reports and financial statements, which provide detailed information on revenue, profitability, capital expenditure, budget allocation, and other indicators of firm growth. Supplementary data is obtained from the NGX, offering market-related metrics such as market capitalization, share price trends, and trading volumes, while regulatory publications from the Securities and Exchange Commission (SEC) and other relevant agencies provide context on governance, compliance, and sector-wide performance.

Financial statement of the listed conglomerate firms in Nigeria enrich the dataset, offering theoretical frameworks and prior empirical evidence for comparative analysis. The study applies quantitative analysis, using descriptive statistics such as means, percentages, and standard deviations to summarize the levels of strategic management practices across firms, and inferential statistics, specifically correlation and multiple regression, to examine the strength, direction, and significance of relationships between strategic management indicators and firm growth measured through revenue growth, profitability, and market capitalization. Data analysis is conducted using statistical software such as E-Views to ensure accurate computation, and results are presented in tables, charts, and graphs to facilitate interpretation and support discussions.

This study uses a quantitative multiple regression model to examine how strategic management practices affect the financial performance of listed conglomerate firms in Nigeria. The independent variables, budget allocation to strategic projects (BASP), frequency of performance review meetings (FPRM), and cost of resources spent on strategic projects (CRSP), are tested against the dependent variables, Return on Assets

Volume 9 Number 1 March 2026

(ROA) and Return on Equity (ROE), as measures of firm financial performance. The model quantifies the impact of these practices on financial performance, allowing for empirical assessment of their significance and effectiveness.

Profitability of Listed Conglomerate Firms = *f* (Strategic Management Practices)…………. Equation 1

$ROA_{it} = \beta_0 + \beta_1 BASP_{it} + \beta_2 FPRM_{it} + \beta_3 CRSP_{it} + \beta_4 FSIZE_{it} + \beta_5 ROE_{it} + \mu_i$……….……..…... Equation 2

Where:
ROA = Return on Asset
BASP = Budget Allocation to Strategic Projects
FPRM = Frequency of Performance Review Meetings
CRSP = Cost of Resources Spent on Strategic Projects
FSIZE = Firm Size
ROE = Return on Equity
β0 = Constant term
β1, β2, β3 = Coefficients of independent variables
ε = Error term

Data Presentation, Analysis and Interpretation of Results

This presents and interprets the results of the data analysis on the relationship between strategic management practices and the growth of listed conglomerate firms in Nigeria. It includes descriptive statistics, unit root results, panel cointegration tests, and ARDL estimates. The descriptive statistics summarize key measures such as mean, median, standard deviation, and Jarque-Bera for the study variables.

	FSIZE	CRSP	FPRM	BASP	ROE	ROA
Mean	13.5246	3.3851	6.3516	2.5352	4.9733	4.46923
Median	13.508	1.1612	1.3505	2.6535	4.9503	4.1404
Maximum	18.914	2.408	3.9662	2.8288	38.1	15.8563
Minimum	12.914	1.9804	2.567	2.4875	2.6849	2.3875
Std. Dev.	0.3042	0.4359	0.3786	0.1039	7.1978	4.4266
Skewness	0.0992	0.9195	-0.0683	-0.0103	1.5042	0.9275
Kurtosis	2.0104	2.0411	2.1172	1.8	6.4814	2.5099
Jarque-Bera	3.5433	10.0413	28.2441	15.8142	52.9282	9.2043
Probability	0.0000	0.0066	0.0001	0.0003	0.0000	0.0100
Sum	81.148	83.1104	81.0992	15.9211	59.84	50.4832
Sum Sq. Dev.	5.4609	11.2132	8.4575	0.638	30.5671	0.0144

Volume 9 Number 1 March 2026

Observations	150	150	150	150	150	150

Source: Author's Computation 2026

Table 4.1 provides preliminary insights into the variables used to examine the relationship between strategic management practices and the growth of listed conglomerate firms in Nigeria. Strategic management practices are measured by budget allocation to strategic projects, frequency of performance review meetings, and cost of resources spent on strategic projects, while firm growth is captured through return on assets and return on equity, with firm size as a control variable.

Firm size has a mean of 13.52 and low standard deviation, indicating similar scale across the sampled firms. This uniformity suggests that differences in growth are less likely driven by size alone, highlighting the importance of strategic management practices. Budget allocation to strategic projects shows a mean of 2.54 with low dispersion, reflecting consistent strategic investment and a stable budgeting culture. Performance review meetings occur regularly, supporting continuous monitoring and timely corrective actions.

The cost of resources spent on strategic projects varies across firms, with positive skewness indicating that a few firms invest more aggressively. Growth indicators, ROA and ROE, show moderate means but high dispersion, suggesting considerable differences in profitability and underlying strategic effectiveness. Jarque-Bera tests indicate non-normal distributions, emphasizing the need for robust estimation techniques.

The descriptive results show active engagement in strategic management practices among listed conglomerates, while differences in profitability point to varying growth outcomes, providing empirical justification for further econometric analysis to assess the impact of strategic management on firm growth.

Panel Unit Root Test

Following the descriptive statistics, this study examines the nature of stationarity of each variables the selected variables using the Levin, Lin & Chu (LLC) and Im, Pesaran and Shin W-stat (IPS) Unit Root Tests, the result is presented in table 4.3 and 4.4 below:

Table 4.3 Levin, Lin & Chu t* Unit Root Test

Variables	Level	Prob.	First Level	Prob.	Stationarity
LOG FSIZE	-4.50260	0.0000	-	-	I(0)
LOG CRSP	2.32617	0.9900	-11.6229	0.0000	I(1)
LOG FPRM	4.34892	1.0000	-9.38539	0.0000	I(1)
LOG BASP	2.56692	0.9949	-2.97347	0.0015	I(1)
LOG ROE	-1.037953	0.7341	-8.107547	0.0000	I(1)
LOG ROA	0.293365	0.9759	-3.320652	0.0186	I(1)

Source: Author's Computation (2026)

Table 4.3 showed the results of all the specified variables Levin, Lin & Chu t* unit root statistic and it revealed that all the variables were not stationary at level but some were also stationary at first difference, as the obtained probability value at level are less than the 5% threshold adopted in this study.

Number 1 March 2026

Table 4.4 Im, Pesaran and Shin W-stat Unit Root Test

Variables	Level	Prob.	First Level	Prob.	Stationarity
LOG FSIZE	-0.65571	0.2560	-11.8813	0.0000	I(L)
LOG CRSP	5.81621	1.0000	-8.60889	0.0000	I(1)
LOG FPRM	6.70322	1.0000	-5.82882	0.0000	I(1)
LOG BASP	5.77384	1.0000	-7.57366	0.0000	I(1)
LOG ROE	-0.284151	0.9203	-8.926773	0.0000	I(1)
LOG ROA	-2.074536	0.2555	-2.430874	0.0000	I(1)

Source: Author's Computation (2026)

Consequentially, Table 4.4 identified that the results of all proxied variables of Im, Pesaran, and Shin W-stat unit root statistics identified that the results identified that all the variables were not stationary at a level form but some are stationary at first difference form as obtained probability values at level were less than 5% level, which was identified for this study.

Correlation Result

	ROE	FSIZE	CRSP	FPRM	BASP	ROA
ROE	1.000	-0.204	-0.189	-0.153	-0.186	0.233
FSIZE	-0.204	1.000	0.883	0.809	0.872	0.013
CRSP	-0.189	0.883	1.000	0.931	0.985	1.000
FPRM	-0.153	0.809	0.931	1.000	0.934	0.018
BASP	-0.186	0.872	0.985	0.934	1.000	-0.101
ROA	0.4592	-0.4930	0.4592	0.4930	0.0180	1.0000

Source: Author's Computation (2026)

The correlation matrix shows the direction and strength of relationships among strategic management practices, firm growth indicators, and firm size. ROA and ROE are positively correlated, indicating that efficient asset utilization generally leads to higher shareholder returns, supporting their use as complementary growth measures. Firm size has a weak negative relationship with ROE and a stronger negative association with ROA, suggesting that larger firms may face reduced efficiency due to complexity and higher administrative costs. However, firm size is positively associated with strategic management practices, showing that larger firms allocate bigger budgets to strategic projects, spend more resources, and hold performance review meetings more frequently.

Strategic management variables are strongly correlated among themselves, indicating that firms with higher budget allocations also commit more resources and monitor performance actively. ROA shows positive correlations with strategic practices, particularly cost of resources and frequency of performance reviews, implying that firms investing in and monitoring strategic initiatives achieve better asset efficiency. ROE, however, shows weak negative correlations, suggesting that immediate impacts on shareholder returns may be limited or delayed in capital-intensive firms. The results indicate that strategic management

Volume 9 Number 1 March 2026

practices are closely linked and positively associated with firm growth, especially ROA. While these correlations highlight meaningful relationships, they are exploratory and do not imply causation, emphasizing the need for further regression analysis to determine the significance and magnitude of these effects.

Autoregressive Distributed Lag (ARDL)

Dependent Variable: D(ROA)
Method: ARDL

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
	Long Run Equation			
BASP	-0.311897	0.137737	-2.264445	0.0261
FPRM	-0.55537	0.109287	0.416671	0.0180
CRSP	-0.992465	0.030569	-3.024852	0.0033
FSIZE	0.727649	0.118427	1.077869	0.0241
	Short Run Equation			
COINTEQ01	-0.696824	0.157848	-4.414531	0.0000
D(BASP)	-0.233609	0.182261	-1.281730	0.1034
D(FPRM)	0.198384	0.231757	0.855998	0.3944
D(CRSP)	0.161855	0.052840	3.063104	0.0029
D(FSIZE)	0.7330942	0.033930	3.394939	0.0103
C	1.934850	0.501938	3.854757	0.0002

Source: Author's Computation (2026)

The ARDL results reveal the long- and short-term effects of strategic management practices on the growth of listed conglomerate firms in Nigeria, measured by return on assets (ROA). In the long run, budget allocation to strategic projects (BASP), frequency of performance review meetings (FPRM), and cost of resources spent on strategic projects (CRSP) all have negative and statistically significant effects on ROA. This suggests that while strategic investments are important, high expenditure or frequent monitoring may reduce asset efficiency over time due to implementation costs or delayed benefits. Conversely, firm size (FSIZE) shows a positive and significant impact on ROA, indicating that larger firms benefit from economies of scale, better asset utilization, and stronger market positioning, which enhance long-term growth.

In the short run, the error correction term (COINTEQ01) is negative and highly significant, confirming a stable long-run relationship and showing that about 69.7% of deviations from equilibrium are corrected within one period. Short-term changes in BASP and FPRM have insignificant effects on ROA, suggesting that immediate adjustments in budgeting and performance monitoring do not instantly improve asset-based performance. In contrast, increases in CRSP and FSIZE positively and significantly affect ROA in the short term, indicating that temporary strategic spending and short-term expansions in firm scale can boost operational efficiency and immediate growth.

Volume 9 Number 1 March 2026

Error Correction Model
Vector Autoregression Estimates

	ROA	BASP	FPRM	CRSP	FSIZE
ROA (-1)	0.359696	-0.007075	-0.018653	-0.006216	0.018607
BASP (-2)	-0.026785	0.062294	0.327436	1.198604	0.746692
FPRM (-1)	(0.13123)	(0.03325)	(0.02399)	(0.10391)	(0.02679)
CRSP (-1)	(0.20420)	(0.05173)	(0.03733)	(0.16170)	(0.04168)
FSIZE (-1)	(0.2339)	(0.13040)	(0.84783)	(0.74298)	(0.48944)
C	-1.431174	9.688725	-3.372937	-0.832143	-4.837503
R-squared	0.778048	0.870789	0.996454	0.961650	0.994061
Adj. R-squared	0.617380	0.859931	0.996156	0.958428	0.993562
Sum sq. resids	17.89727	1.148647	0.597991	11.22192	0.745722
S.E. equation	0.387811	0.098247	0.070888	0.307086	0.079162
F-statistic	4.583091	80.19719	3343.561	298.4028	1991.783
Log likelihood	-55.57441	122.9197	165.3494	-25.23375	150.9989
Akaike AIC	1.024222	-1.721842	-2.374606	0.557442	-2.153830
Schwarz SC	1.266859	-1.479205	-2.131969	0.800080	-1.911192
Mean dependent	0.729325	8.848877	8.113046	7.953708	7.994731
S.D. dependent	0.438374	0.262511	1.143287	1.506115	0.986585

Determinant resid covariance (dof adj.)	7.93E-12
Determinant resid covariance	5.10E-12
Log likelihood	767.8527
Akaike information criterion	-10.96696
Schwarz criterion	-9.753777
Number of coefficients	55

Source: Author's Computation (2026)

Volume 9 Number 1 March 2026

The VAR results examine the dynamic relationships among firm growth, strategic management practices, and firm size, showing how past values influence current outcomes in listed Nigerian conglomerates. The lagged value of return on assets (ROA) positively affects current ROA, indicating persistence in asset-based performance, though current growth is also shaped by strategic and structural factors. Lagged budget allocation to strategic projects (BASP) positively influences subsequent performance review activities, strategic resource costs, and firm size, highlighting the long-term impact of strategic budgeting on firm operations and expansion.

Lagged frequency of performance review meetings (FPRM) and cost of

resources spent on strategic projects (CRSP) demonstrate interconnected effects, suggesting that strategic control mechanisms and resource commitments operate as an integrated system. Firm size also exhibits feedback effects, as changes in scale influence future strategic decisions and growth outcomes, with larger firms better able to support strategic activities that enhance performance over time.

The model shows strong explanatory power, with high R-squared and adjusted R-squared values, and significant F-statistics, confirming its adequacy. Overall, the VAR findings indicate that strategic management practices and firm growth are dynamically interrelated: past strategic decisions shape future performance and structure, while previous growth outcomes influence subsequent strategic behaviour. These results emphasize the importance of a dynamic perspective when assessing the role of strategic management practices in driving the growth of listed conglomerate firms in Nigeria.

Discussion of Findings

This study examined the relationship between strategic management practices and the growth of listed conglomerate firms in Nigeria, with growth measured by return on assets (ROA) and return on equity (ROE), and strategic practices captured through budget allocation to strategic projects (BASP), frequency of performance review meetings (FPRM), and cost of resources spent on strategic projects (CRSP). Firm size (FSIZE) was included as a control variable.

Descriptive statistics indicate that listed conglomerates consistently allocate budgets to strategic projects and conduct regular performance reviews, reflecting an industry-wide strategic focus. However, variations in resource spending and profitability suggest differences in strategic intensity and effectiveness. Correlation analysis shows strong positive relationships among strategic variables, highlighting that budgeting, monitoring, and resource deployment operate as an integrated system. ROA is positively associated with strategic practices, while ROE shows weaker correlations, implying that immediate shareholder returns may not fully reflect strategic efforts. Firm size is positively correlated with strategic variables but shows some negative association with ROA and ROE, suggesting scale-related inefficiencies.

Long-run ARDL results reveal that higher budget allocation, frequent performance reviews, and greater strategic spending negatively affect ROA, indicating that excessive or misaligned strategic efforts may reduce long-term asset efficiency. Firm size, however, positively influences ROA, showing that larger firms benefit from economies of scale and stronger capacity to absorb strategic costs. Short-run ARDL results show that increases in CRSP and FSIZE positively impact ROA, suggesting that tactical investments and operational expansion enhance short-term performance, while changes in BASP and FPRM have limited immediate effects. The significant negative error correction term confirms that deviations from long-run equilibrium are quickly corrected, reflecting resilience in strategic management structures.

Strategic management practices influence firm growth, but their impact depends on implementation quality, organizational capacity, and firm size. Long-term strategic efforts may reduce asset efficiency if costs outweigh benefits, while tactical resource allocation and scale expansion enhance short-term performance. Nigerian listed conglomerates should therefore emphasize disciplined execution, cost control, integrated monitoring, and leverage firm size to achieve sustainable growth and competitive advantage.

Volume 9 Number 1 March 2026

Conclusion

This study concludes that strategic management practices significantly influence the growth of listed conglomerate firms in Nigeria, but their effects are context-dependent. Short-term increases in strategic resource expenditure and expansions in firm size positively enhance return on assets, while long-term commitments to budget allocation, frequent performance reviews, and high strategic costs are associated with reduced asset-based growth. This indicates that strategic initiatives alone do not guarantee sustained performance; their effectiveness depends on managerial competence, operational efficiency, and alignment with organizational capabilities.

Firm size serves as a positive moderating factor, as larger firms are better able to absorb strategic investments, leverage economies of scale, and translate strategic initiatives into measurable growth outcomes. Overall, the findings underscore the dynamic and interdependent nature of strategic management, highlighting that coordinated budgeting, monitoring, and resource allocation are essential for achieving sustainable growth and maximizing firm performance.

Recommendations

Based on the findings of this study, the following recommendations are proposed to enhance the growth of listed conglomerate firms in Nigeria through effective strategic management practices:

1. Firms should ensure that budget allocations to strategic projects are supported by efficient execution plans and proper monitoring systems.
2. Firms should adopt focused, goal-oriented review processes that provide actionable insights without overburdening management.

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Volume 9 Number 1 March 2026

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Volume 9 Number 1 March 2026